Defending the Dollar

CDC January 25, 1968 35¢

WHAT PRICE MEDICAID?

THE REPORTER

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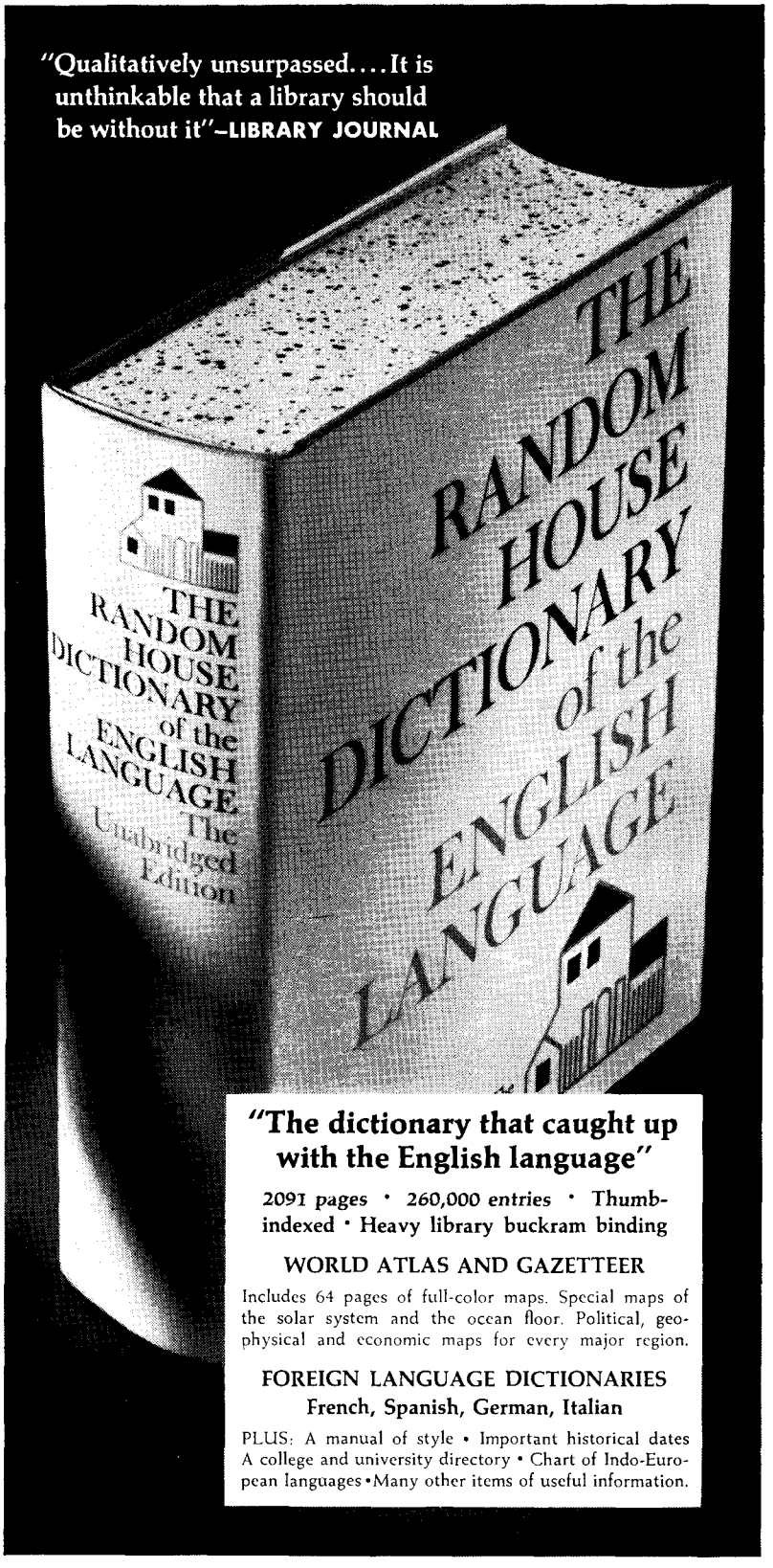
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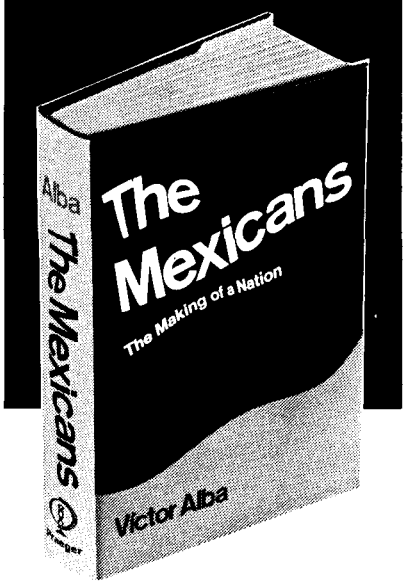

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THE REPORTER'S NOTES
SOMEWHAT PERSONAL . . . . . *Max Ascoli* 10

Defending the Dollar

THE AFTEREFFECTS OF DEVALUATION . . . . . *Claire Sterling* 15
THE PRESIDENT'S BITTER MEDICINE . . . . . *C. Fred Bergsten* 19
EUROPE'S LAG IN BUSINESS SKILLS . . . . . *Robert E. Farrell* 22

At Home & Abroad

WHAT PRICE MEDICAID? . . . . . *Eli Ginzberg* 29
ROCKEFELLER'S WAITING GAME . . . . . *Martin Nolan* 32
SIGNS OF STRAIN ON TUNISIA'S STABILITY . . . . . *Fred Hauptfuhrer* 34
WATKINS OF WATTS: WHAT ONE MAN CAN DO . . . . . *Wesley Marx* 36

Views & Reviews

THE GOOD LIFE IS NO FUN . . . . . *Sarel Eimerl* 39
HAVE YOU READ ANY GOOD NOVELS LATELY? . . . . . *Gerald Weales* 43
LAKE IN WINTER (VERSE) . . . . . *Helen Sorrells* 44

Books:

THE PROBABLE AND THE POSSIBLE . . . . . *Anne Fremantle* 47
DAYS OF WINE AND LEGENDS . . . . . *Jay Jacobs* 49
THE REPORTER PUZZLE 45
CARTOON . . . . . *Fernando Krahn* 9

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WHO– WHAT– WHY–

OF ALL the critical situations that have faced us in the postwar period, the present international monetary crisis is surely the least understood by the layman. It is nevertheless fraught with danger; for the devaluation of the pound, the rush on gold, and the question of confidence in the dollar arouse defensive reactions throughout the world that could bring economic depression and political upheaval. Many economists believe that a departure from the faltering international system based on gold is inescapable, but even the most ardent advocates of freedom from gold admit that it will require much time and immensely complex negotiations. Meanwhile, confidence in the dollar as the principal medium of exchange and reserve currency in the world must be bolstered. This is what President Johnson has moved to do through measures to reduce our deficits abroad and reaffirm our readiness to supply gold for dollars at the prevailing rate. The impact of these measures in Europe is discussed in **Claire Sterling's** report from London; their meaning for the domestic economy and the future of the monetary system is assayed by **C. Fred Bergsten,** formerly assistant chief of the International Payments Division of the State Department and now a visiting fellow at the Council on Foreign Relations in New York. . . . The related problem of the discrepancy in levels of technological and managerial skills between the United States and Europe—the so-called technology gap—is described by **Robert E. Farrell,** who is with the Paris bureau of McGraw-Hill World News Service. . . . Fernando Krahn's cartoon illustrates the enigma.

SECOND THOUGHTS about Medicaid are now being raised by many national and state officials who launched the program to supplement medical-aid payments to the aged (Medicare) with payments to the disabled and needy (Medicaid). It is costing more than any of them imagined, and, according to **Eli Ginzberg,** even this vast outlay is not going to come near accomplishing the program's objectives. Professor Ginzberg, chairman of the National Manpower Advisory Committee, holds the Hepburn Chair of Economics at Columbia University. . . . Governor Rockefeller's non-candidacy for the Republican Presidential nomination is creating complications for those in his party who have made clear their own willingness to run, reports **Martin Nolan.** . . . Habib Bourguiba of Tunisia is probably the best friend the United States has in the Arab world. Yet our very closeness can be uncomfortable for Bourguiba, whose stable régime is beginning to show signs of strain. **Fred Hauptfuhrer** is a foreign correspondent for the Philadelphia *Evening and Sunday Bulletin.* . . . Ted Watkins is a resident of Watts who didn't wait for the findings of a commission or the advent of an emergency program to do something about the ills of his restless community. For the past few years Watkins has given leadership to a variety of youth programs that have involved thousands of Watts youngsters and won the praise of his neighbors as well as the authorities. **Wesley Marx** is a Los Angeles-based free-lancer.

THE POET to the contrary, footprints in the sands of time, as **Sarel Eimerl** reminds us, are more frequently left by those whose lives have been somewhat deficient in sublimity. Mr. Eimerl is a frequent contributor, a voracious reader, and a congenital contemplator of the human condition. . . . **Gerald Weales,** professor of English at the University of Pennsylvania and a past winner of the George Jean Nathan Award for Dramatic Criticism, is the author of *American Drama Since World War II* (Harcourt, Brace & World). . . . **Helen Sorrells'** poetry appears in a number of literary quarterlies. . . . **Anne Fremantle** has edited several Mentor Books. These include *The Papal Encyclicals, The Protestant Mystics,* and *Social Teachings of the Church.* . . . A longtime fan of W. C. Fields, **Jay Jacobs** is a New York writer, artist, and editor with a continuing interest in comedy.

Our London cover is by a former member of our staff, **Angela Conner.**

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We could have stopped here.

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We could have stopped here.

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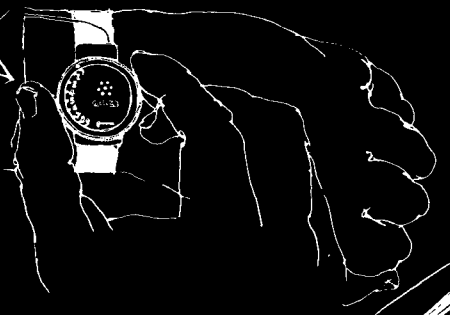
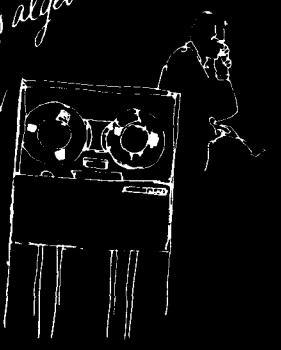
But we're getting itchy again.

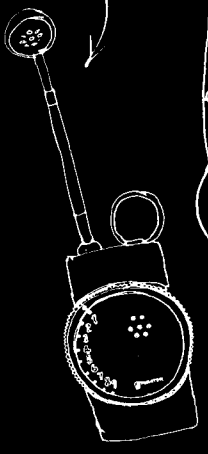
Phones could be made small enough to carry on your wrist and reach any other telephone in the world.



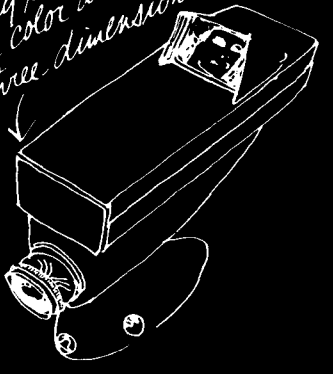
Home telephones may be able to reach computers for figuring income tax, getting information from the library, or helping your son with his algebra.



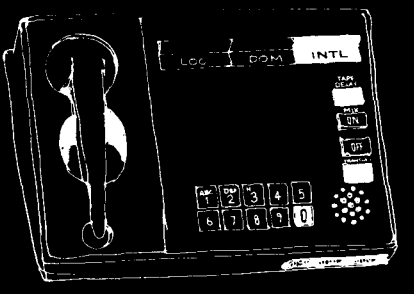
We're working on cordless phones you can carry around.



Picture phones for the home may show pictures in color and three dimensions.



It's possible telephones with memories will remember where you went and automatically transfer calls... and you may use them to turn on your oven when you're out of town.



These are just a few possibilities we can see for the telephone service of tomorrow. We're working on some of them already.

We're never going to stop exploring ways to make your service better and more useful.

Another way to say it is: We may be the only phone company in town, but we try not to act like it.

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THE UNPOSSESSED

To the Editor: These few lines are to extend congratulations on your editorial "The Unpossessed" in the December 28 issue. I thoroughly agree with your observations, as I am sure did many of your readers. I look forward each fortnight to receipt of *The Reporter*.

James A. Farley
Chairman of the Board
The Coca-Cola Export Corporation
New York

To the Editor: "The Unpossessed" states much and implies more that requires comment. There is certainly serious question as to whether the greatest danger facing our country today comes from within or without its borders. An expenditure of $30 billion per year for our venture in Vietnam seems to place the emphasis on the wrong war when compared to a substantial cut in a $2.1-billion Anti-Poverty bill. It might well be that this selection of emphasis for commitment of a major part of our resources well serves our country's most implacable opponent.

I find little to support your descriptive phrase "this genuinely peaceful country" in the treatment through the years of those whose ancestors were here when the Pilgrims arrived; in the history of our relations with many foreign countries, including several in this hemisphere; in our current choice of TV and films; in the behavior of a large number of our population toward a substantial minority of their fellow citizens.

Whether it is intentional or not, the theme runs throughout your editorial that dissent over Vietnam is immoral and unpatriotic. I would like to think that we have progressed beyond the point where true patriotism means blind support of national policy, right or wrong.

Richard Deutsch
Greenwich, Connecticut

To the Editor: Why is it "adolescent" to ask for reasonable adherence to national purposes and ideals? The world is no place for the defenseless, and defenses must be maintained against a variety of enemies. If we needed the proof, the Christian inquisitions and the Communist purges (among other human inhumanities) have taught us that no goals can justify the use of ruthless means to attain them. This applies to the efforts of anti-Communists as well as to Communists. It is possible, but I hope not probable, that your thesis could be correct: that the world's leading military and industrial power cannot indefinitely tolerate major internal dissent from its announced military and diplomatic strategies.

How was it revealed to you that ". . . Americans are not the chosen people, and no sane American has such a notion"? This notion is widely and deeply held by sane Americans, derives from our dominant "Anglo" cultural tradition, and accounts for some of the "unconscious" component of racial and ethnic prejudice in this country. The war against racial prejudice is the real war which will decide the capitalism-Communism contest. This is why I believe that the provision of a Great Society is much more important than the Vietnam War. The real war in which we are involved cannot be won with guns.

William E. Morton, M.D., Dr. P.H.
Associate Professor
University of Oregon Medical School
Portland

HOUSE DIVIDED?

To the Editor: In his article "A Belated Effort to Save Our Cities" (*The Reporter*, December 28), Martin Nolan states that Assistant Secretary Brownstein's efforts to direct more of FHA's activities into slum and low-income areas "are not firmly supported" by Secretary Robert C. Weaver of the Department of Housing and Urban Development. This statement is untrue. The Secretary has not only supported Mr. Brownstein's efforts—he has applauded them.

The Secretary has strongly advocated extension of FHA programs into the lower income range. . . . The principal programs under which this is being accomplished, FHA's moderate-income program and the rent supplement program, were formulated under the Secretary's leadership. . . . and Secretary Weaver vigorously championed their enactment by the Congress. The Secretary and Assistant Secretary Brownstein have at all times worked together closely and in full co-operation in developing FHA's potential in inner city and blighted areas.

Robert C. Wood
Under Secretary
Department of Housing
and Urban Development

Mr. Nolan replies:

The measuring of support by official applause and rhetoric is a common practice within HUD, but it does not alter the fact that Secretary Weaver's "moderate income" programs are largely irrelevant to the pocketbooks of slum dwellers.

ON ACHESON

To the Editor: Dean Acheson's reply to his student interrogators on television ("Acheson on Negotiation," *The Reporter*, December 28) is the clearest answer yet given to those wishful thinkers who, forgetting the hard lessons of recent history, believe that the way to end the war in Vietnam is to make all kinds of concessions in order to get the Vietcong and their masters in Hanoi to join us at a conference table.

When that day comes it will not be as a result of bombing pauses or other concessions but because we will by force of arms have convinced the enemy that the cost of the war is more than he can tolerate. He may then attempt to act on the principle that "Negotiation is war carried on by other means," and it can be predicted that the elements in our society now so keen on negotiations will again do all they can to help him win the peace.

Bernard Harberd
New Orleans

MOORE AND SITWELL

To the Editor: I am much enheartened by what Daniel Hoffman has said of me ("Two Ladies of Legend," *The Reporter*, December 28). But may I say of Dame Edith Sitwell that my strongest impression of her is of compassion —two instances of making amends for harsh judgment—of notable hospitality, at the St. Regis and in London. Her last words to me, after detaining me for tea, were "See you in New York."

In her so-called Autobiography, she gives a most misleading impression of herself, I was sad to see (I think too, uncompromise is better than overconcessiveness).

Marianne Moore
New York City

DANDER-FREE STORY

To the Editor: Elizabeth Christman's excellent short story, "Aggiornamento" (*The Reporter*, December 28), presented a penetrating look at the to my mind largely self-created problems of clerics, which both wring the heart and get the dander up. I think Miss Christman did a beautiful job of avoiding the latter, and at the same time avoided overdoing the compassion bit. If anything gets to me irritatingly, it is the individual who is out of touch. I don't know if that's what Miss Christman had even faintly in mind with her nun, but if so, she succeeded in holding my annoyance reaction to a minimum, and that takes doing. Were I a reviewer, I suppose the word I would not be able to avoid in summing up Miss Christman's story would be "sensitive," but in no effete sense. She writes too lean for that, though with a strength that costs her nothing in terms of femininity.

James C. G. Conniff
Saint Peter's College
Jersey City, New Jersey

CORRECTION

To the Editor: An unfortunate typographical error occurred in my review of Paul Ramsey's "Who Speaks for the Church?" (*The Reporter*, January 11). The last sentence of the first paragraph should have read: "The Detroit conference, of course, spoke only for itself and not for the National Council [of Churches]."

Ernest W. Lefever
Washington

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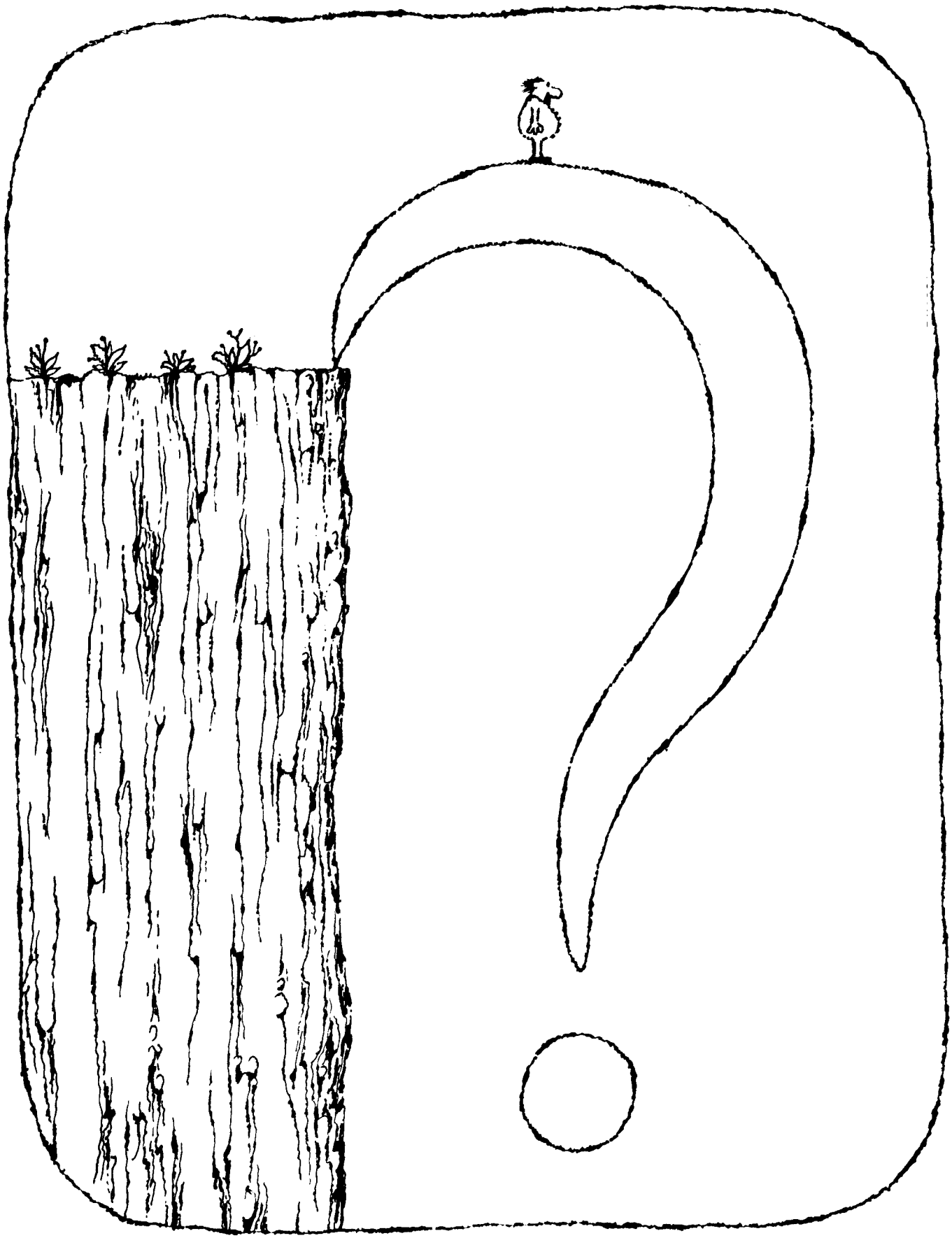

By Fernando Krahn

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Somewhat Personal

There are some questions that, directly or indirectly, people keep asking me: what happened to the liberal Max Ascoli? Why has he turned into an archconservative? How could he go so far to the Right as to become an enemy of dissent? A number of similar questions regarding what I write or what is published in *The Reporter* come to me, sometimes in abusive form, other times in sorrow.

Be that as it may, I don't care to go on a clipping spree and quote from the editorials I have written since the beginning of this magazine in order to give documentary evidence of my consistency. In fact, I am afraid I have been somewhat repetitious in drawing the same conclusion from the analysis of the major events of the last nineteen years. I never succeeded, for instance, in understanding what the "cold war" meant, nor what people had in mind when they proclaimed its end.

I am writing now with a rather different purpose than to give myself a certificate of consistency. What I find queer is the story about my having become an enemy of dissent. I am an old practitioner of the art: my first experience with dissent happened at an age when the blows one receives leave their mark. I was against Fascism since its very beginning and could never dismiss it as a temporary aberration of Italian politics. Neither did I think that other countries would not be tempted to imitate the Italian example in their own way. Dissent, I came to learn, involves a compounded system of penalties: it means growing isolation, breakup or desiccation of friendly relationships, giving up of ambitions, a sort of secluded life with a few, very few, true friends to whom one is united by a mutual sense of affection, little hope, and much despair.

In such conditions, being brought to a jail could only bring an immediate sense of relief, for here, I felt then, is where I belong. But Mussolini's police were too dumb, as I realized when after a few weeks of detention they did not accuse me of anything and made only one demand: conform. Since I really couldn't do it, three years of sometimes brutal humiliation and ceaseless police supervision followed. The company of the policemen I resented the least: Fascism was a totalitarian system tempered by sloppiness.

In the spring of 1950, nearly twenty years after luck and the Rockefeller Foundation allowed me to get settled in this country, there was some agitation about the junior Senator from Wisconsin, who had in his hand a list of 205 members of the Communist Party still in the State Department, and then they became fifty-seven, and then eighty-one. The number of card-carrying State Department officials varied, and so did the knowledge of the thing on the part of Secretary of State Dean Acheson. In early May of that year, I called a meeting of *The Reporter's* staff: the next issue must be on Senator McCarthy, I said. There was some astonishment and head-shaking, I remember. Is it really worthwhile? I was asked.

Our anti-McCarthy campaign started then, and so did my second encounter with dissent. I had gone too far, it was said, and the number of people at social or journalistic gatherings who had some difficulty in recognizing me was disconcertingly large. All my life, I have suffered from an unusually good memory, but I have learned to keep it discreetly in check. From what I read now, who was not against McCarthy at that time?

Of those days, two things are above all to be remembered: the cowardice of the many, and the fact that, by not producing a single live Communist, McCarthy rendered a service to American Communism for which the country is still paying.

After having exercised my capacity for dissent in two countries, against two men, both of whom turned out to be charlatans, I thought I could live a more or less peaceful, useful life as a man deeply concerned with ideas and politics but obsessed by neither. And now I am going through the third round. This time, it all comes from the fact that I refuse to join the dissenters. What I write is literally unforgivable. How can I have any respect for that man, Lyndon Johnson? Why don't I join those who want the war in Vietnam ended at the earliest possible moment so that the thirty billions spent there can be used to fight the War on Poverty?

I must confess that this last bout is a singularly bitter one. On the other side, there is a mob that calls itself liberal and in that mob there are people who have been and are dear to me. A has-been friend is a horrible thing that I still refuse to accept. The feeling of loneliness I have experienced twice sometimes returns. Yet, I must say that I have no qualms. This does not come from the fact that I have been proven right twice. Rather, it comes from the conviction that when dissent is so pampered by public officials and is so freely used, it is worth exactly what it costs to be exercised: nothing.

My dissent from the dissenters is neither easy nor cheap, and if I am wrong, I can only say that I cannot do otherwise.

—Max Ascoli

One-Man Jazz Band

When Chester Bowles is not in Phnom Penh, the U.S. government communicates with Prince Norodom Sihanouk primarily through the good offices of the Australian embassy there. For his part, the Prince com-

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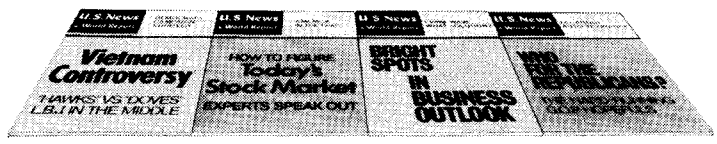

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municates back through the Australian embassy, the Cambodian radio, the wire services of the world, and —for better or for worse—the monitoring service of the Central Intelligence Agency. No one knows how much this routine CIA service has had to be expanded or whether extra sections have had to be added to cover the public statements of the voluble and inconsistent Prince. But it is possible to measure his effect on the more visible workings of the State Department and to conclude that, give or take a few minutes, he has lengthened the average working day by several hours.

Consider the method of delivery of Prince Sihanouk's important message of December 28, which bore a quasi invitation for talks and a startling revision of his position on "hot pursuit" across his borders by U.S. troops. (Only two days before, Sihanouk had publicly warned that he might be obliged to call in Chinese, North Korean, and Cuban "volunteers" to deal with "aggressors.") The new message to Washington—which also retained the vague warning about "volunteers"—took the form of a telegraphed response to eight questions that had been submitted to him almost a week before from Hong Kong by Stanley Karnow of the Washington *Post*. The Prince suddenly sent his answers off to Karnow and simultaneously the gist of them was made known to the *Agence France-Presse* reporter in Phnom Penh. The effect of this interesting move was that the AFP story went out, Reuters and AP were immediately alerted to it, and telephones began to ring in the appropriate and baffled offices of the State Department. Officials there at once inquired of the Washington *Post* if they might have a peek at the text, only to learn that the text was apparently somewhere between Phnom Penh and Hong Kong and that they were more than a little curious about it themselves, since they were rapidly becoming the center of a news story and an important interview they hadn't yet received. In fact, the State Department's troubles paled next to those of the *Post*, which was obliged to run a story based on AFP's account of the interview, without the interview itself, in its own first edition.

During the period that followed, the Prince kept up his barrage of comments. He let it be known that he would not relay U.S. aid to the International Control Commission for surveillance of his borders, and that he favored the ICC's receiving such aid. He said that he would resist border incursions and that he would not. He emphasized his friendship with his Chinese neighbors who sent him eleven airplanes and also declared that his French advisers ("who are red or pink") think of nothing but the affairs of their parties. "China is not happy, so they are not happy either." He called upon the United States to stop the bombing and additionally observed that he respected the desire of the NLF and North Vietnam "to wage war all the way to going for the throat without negotiations." There had been no indication, he said, "that Hanoi and the Front have changed their stand." When he was not delivering these screeds he was releasing texts of messages that had passed between his government and Washington.

Prince Sihanouk's analyses of the purpose and effect of Jacqueline Kennedy's trip to his country illustrate some of the problems facing those who are paid to parse his prose. "Jackie," he said at one point in disparaging press reports that Mrs. Kennedy had undertaken a diplomatic mission, "came to see Angkor Wat, and they didn't want to believe her, poor thing." At another point, Sihanouk allowed as how Mrs. Kennedy had had some diplomatic mission in mind. In this connection he added that Chester Bowles would have no more success than she had had—"and still less, because Jackie is very seductive, being a woman, and the Cambodians were always sensitive to the beauties of Venus." On yet a third occasion, the Cambodian radio described him as having answered Communist criticism of his hospitality role with a declaration "that it was Mrs. Kennedy who asked permission to visit Angkor, that protocol formalities obliged him to give her courteous welcome, and that he named an avenue after Kennedy because he wanted to solace Mrs. Kennedy and to encourage the Kennedy clique in its opposition to the U.S. Government's intention to attack Cambodia."

Prince Sihanouk's verbal performance of course hardly comes as a surprise: over the years he has made the world familiar with his unique capacity for announcing and denouncing friendships and alliances more or less simultaneously. But in our view, the amused and condescending exasperation that he usually inspires is misplaced. Far from being a bumbler or an innocent, he appears to have perfected a diplomatic technique akin to that kind of missile defense which counts on saturation by decoy to confound an opponent. Which statement is the real one? The advantages of a reputation for verbal promiscuity become obvious when you consider, for instance, how much trouble General de Gaulle has got into precisely because everyone knows he means exactly what he says and has planned to say it that way for at least six months. And consider the manner in which the American government's public statements on Vietnam are scrutinized for every comma that might suggest a change of position and thereby set off a whole new wave of attacks on its integrity and good faith. It simply would not occur to anyone to accuse Prince Sihanouk on this ground.

Bard Sinister

Warner Brothers, daunted neither by the fact that almost everything about William Shakespeare is unknown except his genius, nor by the warning "Curst be he who moves my bones" on Will's tombstone, is about to spend some $15 million on a musical "spectacular pageant" about his life tentatively titled *The Bawdy Bard*.

The "roster of stars" promised by a press release names no names. Likewise the identities of the writers "will be announced shortly." They are the ones we feel for. They merely have to supply a script that "will be swinging, humorous, dramatic, and all-encompassing," and that "will also have the hard-core story of Will Shakespeare's life, which was a life so full of adventures and misadventures that it is not to be believed."

O.K., we don't believe it.

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The Aftereffects of Devaluation

CLAIRE STERLING

LONDON

HAVING FINALLY DONE what he has been warned since November that he must do, President Johnson is now getting warnings of the opposite kind. Until his press conference on New Year's Day, Continental bankers were afraid he might do too little too late to defend the dollar. Now they fear he has done too much too soon.

They may be right. No American President has proposed such harsh controls on the outward flow of dollars. Since the cause of our $4-billion external deficit is not our foreign trade, which is running an ample surplus, but rather our foreign commitments, the deficit may be a lesser evil than our efforts to reduce it. If the United States is going to save $3 billion a year on overseas spending, loans, and investments, the rest of the world will be that much the poorer. The results will necessarily be felt in widening circles, with a shortage of capital leading to higher interest rates, leading in turn to a contraction of investment, production, and commerce practically everywhere and especially in Western Europe, which is already in the doldrums.

Yet the President hardly had much choice in the matter. Before Britain devalued the pound on November 18, there were still several ways open to reduce our deficit by cautious and relatively painless stages. By the end of December, it was too late for all that. Six weeks of wild international speculation had shown that once the pound went down, no halfway measures were likely to spare the dollar —far and away the mightiest currency in the world. The final outcome will depend not only on us but on Britain: neither the dollar nor any other major currency could survive if the pound went down again.

The Gnomes' World

Despite Britain's decline as a great power, it still ranks third among the trading nations, with an annual two-way trade of $30 billion. Its $45 billion of overseas assets are second only to those of the United States, and some $13 billion worth of pounds are held abroad privately or by foreign central banks, roughly half of that financing perhaps a third of the world's trade, the other half in the form of reserves. The pound is, furthermore, the only alternative reserve currency to the dollar. All

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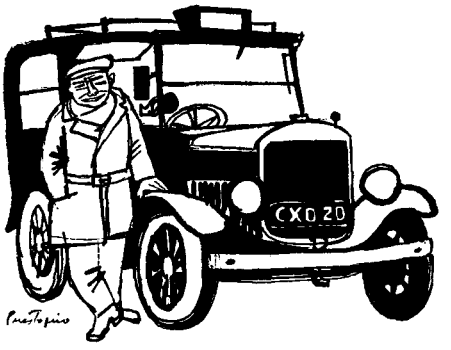
countries keep their reserves either in gold, in dollars pegged on gold, or in pounds pegged on the dollar, and their currencies are fixed in parity to one or the other. So there is hardly a piece in the global mosaic of banking, investment, and trade that is not somehow affected by an alteration in the sterling rate.

How and why such rates are altered has always been a mystery to laymen. Many assume that they are manipulated to some dark purpose by a cabalistic band of international bankers—"those gnomes with foreign accents." The *Financial Times* of London has pointed out that the assumption would be hilarious if people didn't take it so seriously. Actually, the gnomes behaved in perfectly human fashion on this occasion, simply throwing up their hands when the British implied, at last November's meeting of central-bank governors in Basle, that an additional $5-billion loan was needed to save the pound again.

After going through two multi-billion-dollar international loans in three years, Britain found itself on November 18 with close to $4 billion in short-term debts, every penny of its reserves in hock, a perpetual external deficit averaging well over $1 billion a year, an alarming productivity lag compared to its Continental neighbors, and no practical prospect of recovering its economic balance. The Bank of England might still try to prove that it could continue indefinitely to pay $2.80 for any pound offered—and in fact lost another borrowed $1 billion in the attempt during the last fatal run on sterling at that stage.

However, the world's lack of confidence in the pound was too clear to be disregarded. At first, when the deed was done, the British were congratulated on their courage and the nicety of the calculations. The cut in the pound's official value by 14.3 per cent was said to be just right: by selling that much more cheaply abroad, British exporters should gain enough of a competitive edge to turn their country's deficit into a surplus, and the edge was small enough for the other big trading nations to live with. At least that is what these nations said when asked, leading the British to settle on this seemingly mystical figure. But it may have been the wrong one. Devaluation, in the economists' jargon, can be effective only if it is accepted as definitive. In other words, nobody with a grain of sense will buy a pound for $2.40 today if it is liable to sell for $2 tomorrow, and in effect nobody is doing so. Though the new pound is backed by fresh credits of $3 billion from the International Monetary Fund and foreign central banks, the money that flooded out of London last November is staying out. The trickle returning



is mostly to cover immediate commitments. And for all the allure of an eight per cent bank rate, the highest since the First World War, foreign capital will apparently not come back until Harold Wilson demonstrates beyond reasonable doubt that Britain can get into the black and stay there.

That is going to be tough on the Prime Minister. As things are working out, he has gained only a limited advantage abroad. The sales price of British exports will certainly not drop by 14.3 per cent. What with one thing and another—the higher cost of imported raw materials, elimination of export rebates, a 2.5 per cent rise in corporate taxes, cancellation of the Selective Employment Tax payroll premiums—the average figure should be closer to 7.5 per cent.

Even that could theoretically produce a $500-million yearly surplus, presumably satisfying the hardest-hearted of the gnomes, but only under several painful conditions. Prices must go up at home, to dissuade Britons from buying too many imported goods or British goods that should be exported instead. Wages, held down tightly for the past eighteen months, must be kept down so that exporters can hang onto their sales advantage and the first stimulating profit margins some have seen for years. Productivity must rise, industrial efficiency must be paramount, and the most obstructive of the Trades Union Congress's ancient rites and customs must go. Export industries must get relief incentives for expansion, with consumers making up the loss of revenue. The government must spend at least $1.5 billion less annually on defense, schools, housing, and social welfare. Life, in short, must be made much more pleasant for capitalists and much less pleasant for ordinary citizens.

Since November, the Prime Minister has been struggling with his conscience and his cabinet, trying to find ways of hitting the populace where it hurts least. The easiest way, in that it is least offensive to the Labour electorate, would be a billion-dollar cut in the defense budget. But while this would leave Britain with an army less than half the size of the French, German, or Italian and smaller than the Polish or Spanish, it would not solve the problem altogether. Nor can there be a real solution unless the Prime Minister is prepared to defy his socialist idols by sitting hard on the unions, soaking the consumer, and indulging the productive (though not the idle) rich.

The Resounding No

He would probably have a much easier time of it if President de Gaulle had not blackballed Britain again for Common Market membership. Although joining would by no means be an instant all-purpose remedy, it could hardly fail to have tonic effects, as some of the Six have themselves discovered. France, once in almost as bad shape as Britain, found in 1958 that the combination of devaluation and a plunge into the Common Market was extraordinarily bracing. Some day, perhaps not distant, the French may regret their refusal to give Britain the benefit of this experience.

The spectacle of a prostrate Britain is nothing for Western Europe's richest industrial nations to gloat over. The sicker Britain gets, the greater the danger of the infection's

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spreading to the Continent, and the Continent is not doing very well at the moment either. The Common Market's once sensational growth rate has dropped to barely 2.5 per cent in 1967 and would be lower still if it were not for Italy's reviving economic miracle. France, formerly expanding at an average rate of five per cent annually, had little more than a two per cent rise in 1967 and a $300-million payments deficit. West Germany's growth rate, after its first taste of recession since the war, has fallen close to zero.

The causes are complex and the phenomenon supposedly temporary. But according to one of Belgium's biggest bankers, the Six seem to be reaching an economic plateau where powerful stimulants are needed. Britain's entry could be such a stimulant, he says, even if it had to be nursed to health along the way. Its fifty million producers and consumers are, despite their notorious failings, among the most sophisticated in the world, with a hearty appetite for the products of the Common Market—they buy $3 billion worth yearly—and a far more advanced technology in several fields than the European Economic Community's. The British, in fact, employ twice as many scientists as France and Germany do, and spend $2 billion a year on research and development, double the figure spent by the French.

Britain's entry having been ruled out, the Six are watching their ailing neighbor across the Channel with anxiety, France and West Germany in particular. Both countries have been going through a deflationary phase from which they are emerging far more slowly than they had hoped. When Britain's anticipated import cutback begins, and the tremors set off by sterling's devaluation run deeper through the international monetary system, the going may be slower yet.

France, traditionally and intimately bound to Britain in commerce, is still suffering from the lingering effects of its efforts to escape the contagion of the collapse of the pound in 1931. It was not until 1936, as a French commentator recalled recently, that the French franc was finally devalued, under the pressure of lowered production, a fearful deficit, unemployment, stifling protectionism, and other ravages leading to a panic devaluation and the Popular Front. Though times have changed since that happened, in theory it could happen again.

From the start, the French *Patronat* has rumbled with displeasure over the latest sterling devaluation, which is bound to hit France hard. A recent Office for Economic Cooperation and Development (OECD) study shows that French retail prices are far out of line with the rest of the Common Market's, some (compared to West Germany's especially) of them thirty to fifty per cent higher. While it is impolite to say so in Paris, this suggests that the franc is overvalued, and the cheaper pound makes it dearer still. The chances are, then, that France will be selling appreciably less to Britain, whereas Britain will sell more of the rival goods France welcomes least—machinery, electrical equipment, chemicals—to the French. Worse, the same principle will apply in the two countries' competitive race for markets within and outside Europe.

NOW, ON TOP OF THAT, has come a Johnsonian monetary policy which, though very much along the lines President de Gaulle has been demanding, will be a heavy blow for French industry all the same. Since the Common Market as a whole ran a $4.5-billion trade surplus last year, it leads the category of areas ineligible for fresh American investment. Where it had $1 billion worth in 1966, it will have none whatever in 1968. West Germany, with plenty of its own capital, has little need to worry. France does. Spared the embarrassment of a balance-of-payments deficit last year only because of the hot money flowing from Britain to France during the sterling crisis, the French are already troubled by an endemic capital shortage. It will obviously be aggravated as the quest for investment capital intensifies on the Eurodollar market, forcing interest rates to rise. Having helped quite a bit to provoke the United States into "unleashing an anti-Marshall plan," as the Paris business daily *Les Echos* observes, France for one may have cause to repent.

The fact that President de Gaulle shows not the smallest sign of repentance in no way improves the standing of the franc, which, for all the dazzling heap of gold in the French treasury—over $5 billion worth—is well on its way to becoming Europe's next problem currency. For as any economist will tell you, the strength of a currency doesn't really depend on stocks of precious metal. The sturdiness of the economy behind it is much more important, and the psychological element of confidence still more so. The run on gold between November 18 and the end of the year, when speculators bought up almost $1.5 billion worth, was a massive expression of distrust, not only in the pound but in every paper currency. Even if checked momentarily, such runs are liable to start up again and again while the present uncertainty prevails. The atmosphere might have cleared much more by now had the British been left free to join the Common Market, with European ranks closing around them in support. Denied that comfort, the Labour government may find the burden of maintaining the new rate too heavy, making a further "slippage," as former Chancellor of the Exchequer James Callaghan calls it, unavoidable. In that event, France would find itself sliding down the slippery slope along with Britain, the rest of Europe, the United States, and probably every other industrial nation.

The Rueff Remedy

What would happen if the big trading nations should devalue simultaneously? That would be all to the good, says French Inspector-General of Finance Jacques Rueff, together with several worthy theoreticians who find the world's present monetary arrangements eminently unsatisfactory. But the bankers who would have to handle these deteriorating currencies are appalled to a man.

Monetary experts have been arguing the question for years. The awful operative word in the argument is "liquidity," meaning hard cash, of which the world does not have enough. The amount available is supposed to depend on the supply of gold, whose price was set by the United States Treasury in 1934 at thirty-five dollars the fine ounce. The price has been kept there by the eight largest gold-holding coun-

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tries, which have maintained it, through a gold pool, by selling gold from their own treasuries to private buyers whenever the free market price has threatened to go higher. Because the price of everything else has doubled since 1934, however, much of the gold still lying underground—the great bulk of it in South Africa and the Soviet Union—has become uneconomic to mine. Fresh supplies have therefore dwindled to the point where all the gold mined in the last eighteen months has been snapped up by private customers. Two waves of speculation in the past year—during the June war in the Middle East and again after devaluation—have thus forced the gold-pool countries to disgorge close to $2 billion worth from their treasury stocks, with no prospect of full replenishment.

According to orthodox monetary rules, this should mean not only an increasing dearth of new cash in the world but an actual shrinkage of the amount already in circulation. It does not mean that because, through an artful sleight-of-hand often defying comprehension, all countries spend money they haven't got. The most grievous offenders are Great Britain and the United States, both in hot water for that reason. The difference in the condition of their currencies is that the dollar commands trust (or did until recently), whereas the pound does not. Whatever the difference, however, world expansion would have been impossible in the last few years without this kind of spending. It is, in short, the British and American deficit that has been financing international growth.

THE RUEFF SCHOOL says this must stop, and proposes to stop it by doubling the price of gold and so halving the value of the dollar and every other currency pegged directly or indirectly upon it. More gold would then come out of the ground (to Russia's and South Africa's delight), the United States could pay all its debts with cheaper dollars and so could Britain, and the rest of the world, floating on a bottomless sea of liquidity, could move on into a literally golden age.

Bankers and the great majority of economists dismiss the idea as nonsense. Its own advocates admit, they say, that the gold price would have to go on doubling every ten years to keep up with demand, each time causing monetary and commercial convulsions of incalculable proportions. While the rich gold-holding countries might grow richer whenever it doubled, hundreds of millions of people would lose half their life savings, not just once but twice or thrice. Whatever might be gained in international growth would thus be lost in human security and world stability. "An increase in the gold price," says Dr. Otmar Emminger, governor of West Germany's central bank and the Group of Ten's chairman, "would be the most inflationary and arbitrary of all possible methods of reserve creation. The idea is not practical, and has too many objectionable implications to merit serious consideration."

While President de Gaulle's willingness to take it seriously is more a question of politics than of economics, the most ardent European Gaullists are frightened by the possible economic consequences. The French role in this last six-week gold rush, undeniably mischievous, was condemned in every European capital, including Paris. All Europe knew that the initial rush was greatly accelerated, though not actually engineered, by an official leak to *Le Monde's* Paul Fabra two days after the pound was devalued, revealing that the gold pool had lost $700 million since the June war (nearly twice the true figure), that France had suspended operations in the pool since June, and that at least two other countries were thinking of following suit. Whenever the speculators' zeal seemed to flag in the ensuing weeks, they were rallied by yet another official leak published by the obliging Fabra. It was only when President Johnson delivered his New Year's punch, removing all doubts of American determination to defend the dollar at whatever cost, that the gold stampede came to an end. The gold price was unchanged and the dollar had held. Nevertheless, those who had been waiting hopefully for the dollar's fall thought victory was in their grasp, and several influential French found the thought sobering. "A rise in the gold price would be nothing to be proud of," said *Le Monde* in a fit of remorse. "There is something unhealthy in the confused desire to see the dollar tumble, as if the effects on the West could only be beneficial to France." "The little Machiavellis . . . who want gold revalued," wrote Raymond Aron more acidly in *Le Figaro*, ". . . should meditate on the legend of the sorcerer's apprentice."

A Sensible Course

Arithmetically, the dollar could no doubt withstand further runs on gold. While the United States has lost nearly half its gold reserves in the past decade (a third through deliberate French conversion of dollars), it has some $2 billion worth readily available, another $10 billion worth (the dollar's domestic cover) could be withdrawn from Fort Knox in an emergency without Congressional approval, and the other gold-pool countries could throw in as much again. But in the nervous world of international finance, the game would be up long before the gold ran out. That, more than anything, explains Washington's supreme effort to head off future runs on gold.

Apart from auxiliary measures, discarded in advance as futile, there were three ways of going about this. The United States could agree after all to devalue the dollar by raising the price of gold, in concert with our partners in the gold pool and the Group of Ten, and with every possible precaution to cushion the shock. Or we could demonetize gold altogether, leaving dentists and jewelers to set its free market price and letting the dollar rest on a flourishing economy, which it does anyway. Or we could spend less of the money we haven't got, regaining the universal trust we used to have.

The first course was out, the effects of a devalued dollar on the international monetary system being all but unthinkable. The second was out too, for the present anyway. The United States agreed last September, as did all International Monetary Fund members, to experiment with a new international currency known as the S.D.R. (special drawing rights), designed to increase liquidity without a gold cover. Considering how hard it was to get agreement on that

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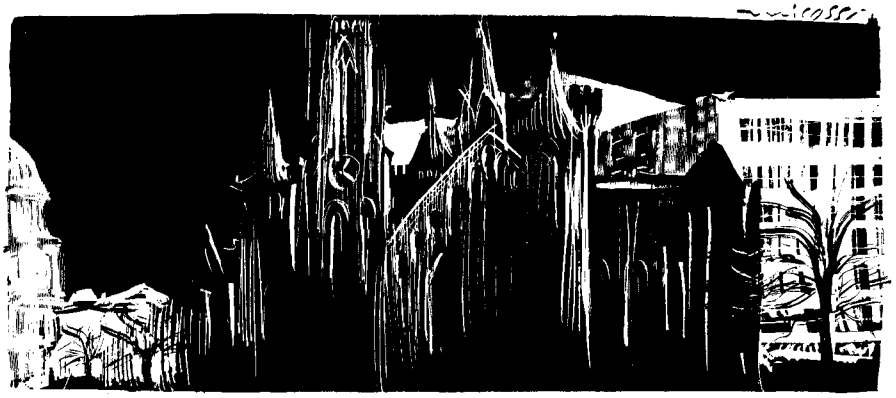
much, anything riskier could scarcely be contemplated. There remained President Johnson's course, plainly the most sensible.

It would be too much to say that our foreign friends were overjoyed by his announcement. His curbs on dollar outflows are widely thought to be too severe and are certainly discriminatory, with the Common Market losing all and embattled Britain next to nothing. In general, however, the feeling in Europe (if not in France) is that the United States is on the right track, and the expectation is that once the dust settles, the worst of these curbs will be dropped quietly.

NEVERTHELESS, the monetary crisis is far from over. Our external deficit is not the only thing to come under more candid inspection since the monetary crisis broke. We also have a mind-reeling domestic deficit approaching $20 billion, as well as disturbing signs of inflation. Some of our firmest overseas supporters would be a lot happier if the President were to apply the same severity to our financial problems at home as abroad, by reducing government expenditure and raising taxes to check the inflationary spiral. The fact that Congress will not hear of this last in an election year is understandable but in foreign eyes unpardonable.

Actually, not all American economists agree that sizable cuts in public spending and a tax rise are desirable. An incautious mixture of both, they say, might well mean the sacrifice of growth to the sterile cause of stability, and the harm done in that case would be not just to the United States but to a world exceptionally sensitive to the slightest contraction in our economy. They may change their minds about this if inflationary signs worsen—and so may Congress, after the election. Yet even the most impeccable financial housekeeping on our part might be inadequate to ensure the dollar's safety. Fortified or not by the soundest of budgets and balance of payments, the dollar could not withstand a second devaluation of sterling. Britain, fighting for the pound and its life, is where our own and the world's economic fate hangs immediately in the balance.



The President's Bitter Medicine

C. FRED BERGSTEN

FOR THE FOURTH TIME in seven years, the United States has been forced to develop a program to cope with its balance-of-payments situation and the problem of external confidence in the dollar. The measures announced by President Johnson on New Year's Day are only the latest in a series of steps, initiated by President Kennedy in 1961, to deal with one of the most perplexing and pervasive problems faced by the last three administrations. But this new program is by far the most dramatic yet adopted and, for the first time, promises to make the issue a real one to the general American public —and hence, for the first time, perhaps an important issue in a Presidential election.

The most dramatic elements in the new program are the institution of mandatory controls on capital exports by U.S. corporations, including a complete moratorium on new outflows to Continental Western Europe, and the administration's plans to seek Congressional approval of a tax to deter travel by U.S. residents outside the Western Hemisphere. Both are unprecedented in U.S. history. Both restrict a freedom considered basic by large and important sectors of our society. Both represent retreats from the type of international economic system toward which the United States has tried to lead the world throughout the postwar period. The critical questions are whether these measures are necessary and, if so, whether they are likely to contribute to the achievement of their avowed objectives.

First and foremost, the new program is a response to a crisis of confidence in the dollar. The administration would clearly have preferred to avoid such action, and less than two months earlier had announced a relatively moderate extension of the much milder voluntary program on capital outflows that had existed essentially unchanged since early 1965. It had no choice but to act, however. Since the sterling crisis in mid-November, which made it clear that a currency widely used to finance international transactions and as a component of other countries' reserves could be devalued, private speculators have launched two waves of attack against the dollar. Both waves were met by concerted international action by the United States and its partners in the gold pool, which fed sufficient gold from the reserves of its members into the private markets to prevent a rise in the price and to convince the world, at least for the moment, that neither the dollar nor any other currency was to be devalued in terms of gold.

The fundamental source of the trouble, however, was a growing doubt, mainly among private traders and investors around the world, concerning the ability of the United States to continue to honor its pledge to convert dollars held by foreign monetary authorities into gold at the fixed price of $35 an ounce and hence preserve the existing interna-

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tional monetary system. This doubt —generated mainly by the continuation of large U.S. balance-of-payments deficits, which both reduce our gold stock and increase the foreign dollar balances that represent potential claims against our gold stock—also reflected the possibility that demands for such conversion might be forthcoming at any time.

The President's revelation that the deficit in the fourth quarter of 1967 alone may have approached $2 billion—compared with deficits of under $1.5 billion in each of the two previous full years—and the subsequent announcement that U.S. gold losses approximated $1 billion in the last six weeks of the year made it obvious that some action was required to prevent a new and even more massive attack on the dollar as soon as the results became known. Concern about the dollar was exacerbated by the apparent unwillingness of the United States to adopt domestic policy measures, particularly the proposed income-tax surcharge, that would help continue our relatively enviable record of price stability and hence maintain the attractiveness of our currency relative to other available assets.

While the most dramatic components of the program are clearly not intended to be permanent, it contains measures that will contribute to longer-term improvement in our balance of payments. One of the President's key announcements was his decision to initiate discussions with our major trade competitors to deal with the effect on the United States of the asymmetrical international rules governing the impact of different types of taxes on goods traded internationally.

These longer-term measures are of necessity less dramatic in nature, since they relate to our ability to improve our everyday competitive position to sell exports, attract foreign tourists, and increase foreign investment in the United States. Fortunately, such measures are needed only to reinforce longer-run trends already operating in favor of our over-all balance-of-payments position. Over the long pull, we can expect gradual increases in our trade surplus and sizable increases in the return on our huge stock of foreign investments. These trends will move us toward equilibrium in relation to our success in approaching three basic aims: (1) that our domestic economic policy restrain the growth of demand within the limits imposed by the growth of our productive potential and include whatever additional steps may be required to prevent repetition of the inflationary developments of 1966 and 1967; (2) that the course of the war in Vietnam lead to a reduction in the government foreign-exchange expenditures now necessary in Southeast Asia; (3) that programs, probably voluntary and on a standby basis, be maintained to assure that private capital outflows can be restrained, if necessary, within the already high levels of recent years and in any event within the magnitude made possible by our current account surpluses.

But the direct focus of the President's program is on the immediate future. Its major long-range implications, which are enormous, are more indirect. It is in this context that the program must largely be judged. The program rejects, at least for the foreseeable future, any change in the basic operating features of the present international monetary system. It makes no direct contribution to the problem of the future role of gold, a role that must be changed within the next few years because of basic changes in the supply-demand situation for gold which have now become evident. But the program should provide the basis for a more rational atmosphere in which an international decision can be made on this issue, by removing any fear that panic-induced changes will be forced upon the world or that the United States will attempt to bring about such basic changes unilaterally.

The Need at Home

The program also clearly signals that the United States will not seek adjustment of its payments position by cutting back unduly the rate of growth of its domestic economy in an effort to reduce imports and free productive resources to increase exports. A country with a payments imbalance, whether surplus or deficit, basically faces three choices: to finance the imbalance, to take internal measures to promote indirect adjustment of the imbalance, or to take external measures directly affecting international transactions contributing to the imbalance. The new steps announced in the program are aimed solely at our external transactions, although the President quite rightly reiterated as "the first order of business" the need for domestic measures, primarily to meet domestic needs.

Thus the program itself is not likely to have any significant impact on the domestic economy. The restrictions on capital outflows might even contribute at least marginally to some relaxation in the very tight position of our credit markets, since capital that otherwise would have been exported will now be available for use at home.

The need for domestic action, however, remains unchanged. Since foreign confidence in the dollar rests not only on our balance-of-payments position but on our ability to manage our economy along a path of relatively noninflationary growth, Congressional approval of the proposed income-tax surcharge and success in our efforts to restrain undue increases in prices and wages would provide powerful support to the over-all effort to restore confidence in the stability of the present monetary system. The basic argument against the surcharge—that it might throw the economy into a recession —is muted by the program, because the extension of controls on external flows of capital permits monetary policy to be eased much more readily to offset any sluggish tendency in the economy that might result from a tax boost.

The economic effects of the program will be much greater abroad. Foreign countries, particularly in Continental Western Europe, will be deprived of U.S. direct investment capital and perhaps the technology and management skills that go with it. They will face a sharp cutback in their loans from U.S. banks. As a result of both these developments, plus the great demand for additional borrowing expected from U.S. firms, they will experience a sharp tightening in their capital markets with probable adverse effects on total investment in their economies and hence on their rates of economic growth. And they will face reduced

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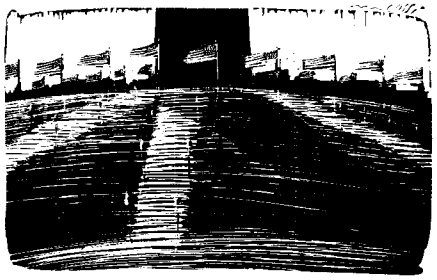
earnings from their travel industries, which are a major component of all their economies. Needless to say, such efforts may well generate political problems for their governments comparable to those to which our President, of necessity, has exposed himself in an election year.

THESE EFFECTS of the program point up its real significance and reveal why it provides at least some hope that a basis will now be found for moving toward a solution of the key problem of the international monetary system: that the major nations are working at cross-purposes. All of them wish to improve their international payments positions, and none are willing to accept a significant deterioration in their positions and the declines in their reserves that would ensue. As a result, the efforts of deficit countries—particularly the large ones, such as the United States and Great Britain—to improve their payments balances, however sincere, founder on the unwillingness of the rest of the world to accept corresponding deteriorations in their own balances.

Such deteriorations should by rights generally be accepted by countries running payments surpluses, or at least by those running small deficits and holding reserves large enough to cushion them comfortably, since they would simply be forgoing reserve increases rather than undergoing actual reserve losses. The unhappy fact, however, is that these countries have been unwilling to accept adjustment of their surpluses except when the surpluses grew so large as to become embarrassing. They have protected themselves not by direct retaliation but by indirect methods—raising interest rates, slowing their growth rates, failing to encourage or even to permit capital outflows.

In part, these responses reflect different economic priorities: the Continental Europeans focus on payments surpluses and price stability while the United States and Great Britain focus on full employment and economic growth. But for whatever reason and by whatever means, international adjustment has not occurred because the players have not adhered to the rules of the game. The most obvious current example is the decision of several of the Common Market (and some other European) countries to increase the effective level of their tax rebates on exports and tax charges on imports as part of the over-all shift in the taxation systems. The external effect of these actions is probably equivalent to a small devaluation of their currencies—a move blatantly opposite to that which should be adopted by surplus countries.

To his great credit, the President in his message served notice on the Europeans that his representatives planned to raise this issue with them



immediately, to assure action—preferably by them but by the United States if necessary—to rectify the effects of these changes on our respective balance-of-payments positions.

Who'll Play the Game?

The United States has now taken steps that adhere to the rules of the game for deficit countries. But if President Johnson's goal of a $3-billion reduction in our deficit or anything close to it is to come to pass, other countries will have to accept corresponding deteriorations in their balances of payments. The problem is compounded by the sharp improvement to be expected in Great Britain's balance of payments as a result of its recent measures. The surplus countries—essentially those in Continental Western Europe—thus face a potential deterioration of as much as $4 billion in their payments positions within the next year or so. Recent history does not provide much hope that they will permit such changes. If very many of them take action to offset or compensate for our measures, a horror story of spiraling restrictions, growing uneconomic allocation of resources, and even world recession becomes a possibility.

The issue is now squarely joined. These surplus countries have exhorted the United States for years to eliminate or at least sharply reduce its deficits. Their willingness to finance those deficits by adding to their dollar balances has declined, and in a few countries has disappeared. If the same countries were now to take action to offset the effects of the very measures that we have adopted to adjust our deficit, their inconsistencies would be clearly exposed. Whether their actions were due to national schizophrenia or (in the case of France) overt political malevolence, the absurdity of the system could no longer be obscured.

Which would not be such a bad thing. It would at last make clear that the United States balance-of-payments deficit and the European balance-of-payments surpluses are not national problems but rather mirror images of a single international problem. Adjustment of one can only occur simultaneously with adjustment of the other. The major countries must agree on this basic and elemental fact and act accordingly, or recognize that the system will not work.

One of the most encouraging aspects of the new program is that high-level representatives of the President were dispatched immediately to Europe and Asia to explain and discuss it. One hopes that their discussions and the exchange of views they have begun were along the lines suggested here, and that our partners in the world economy will respond in one of the only two logical ways possible: either by permitting our measures to work or, if the pinch on them is unacceptable, by recanting on their insistence that our deficits be eliminated.

We should not expect uniformity in the various countries' responses. Some may place priority on reduction of our deficit and be willing to accept the pain caused them as a result. Some may welcome a decline in U.S. investments. Others may prefer to recant and resume financing our deficits, perhaps at a somewhat lower though still sizable level, as indeed some did all along.

The President's program must be commended for going at least part of the way in recognizing the differences in foreign views toward the dollar. The exception of the Western Hemisphere from the proposed trav-

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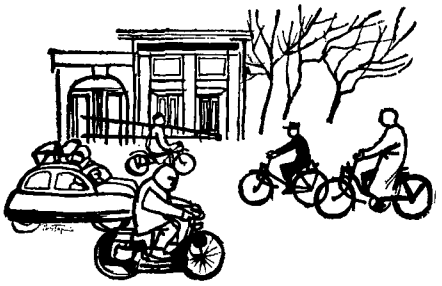
el restrictions is largely in recognition that dollars spent there do not bring any direct pressure on our gold stock. The differentiation of countries into three groups for purposes of the direct investment controls, to be governed by different quantitative ceilings, recognizes that most comparatively underdeveloped and certain developed countries would rather finance our deficits than suffer the consequences of forcing us to adjust. By lumping together all of Continental Western Europe in the grouping on which a complete moratorium on new outflows is placed, however, the program unfortunately catches some countries that might logically be exempted under appropriate arrangements.

But such arrangements can become one topic in the dialogue that will ensue. It is unfortunate that it could not have taken place and the choices made prior to the implementation of the new measures. Perhaps such discussions would have led to the same results, but perhaps not. After all, the Belgians recently opened an office in New York to *seek* U.S. direct investment. And the French, despite their general diatribes against the intrusions of U.S. investment, officially protested Ford's recent decision to locate a new plant in West Germany rather than in Strasbourg. Also, there are already indications that Belgium and Spain, two of the biggest purchasers of U.S. gold during the past decade, and Australia too will seek exemptions from some of our new measures, and other countries are likely to follow.

IN ANY CASE, such a dialogue was apparently not possible until the United States displayed convincing evidence of its readiness to act on its own. The dialogue will not be possible even now if we waver from the readiness; and the President's firmness and apparent willingness to do even more, if necessary, is a reflection of that reality. This is why the new program *is* necessary and why it gives some promise of promoting a basic solution to the external financial problems that have nagged the United States for a decade. Its apparent short-term focus can be turned into a long-term strategy of great importance. The next decisions are up to the rest of the world.



Europe's Lag in Business Skills

ROBERT E. FARRELL

PARIS

FOR WELL over two years now, anyone in Western Europe who claimed to be a serious thinker inevitably has felt obliged to say something about the now famous "technological gap." The burden of the theme is that the United States, because it spends so much more than Europe does on research and development, enjoys a growing technological advantage. "We have to face the fact," warned Prime Minisister Harold Wilson in his gloomy Guildhall speech last fall, that year by year the gap is "ominously widening." In practical terms, such ominous talk is meant to imply that American industry is destined to dominate its European counterpart unless the gap is somehow narrowed and closed. In the short run, the new American overseas-investment curbs should help to allay some of these fears even as it creates others, but the solution to the basic problem is not in American hands.

In France, Jean-Jacques Servan-Schreiber, the politically ambitious editor of the opposition news weekly *L'Express*, is having a stunning success with his melodramatic presentation of the problem, "The American Challenge." Indeed, "gap talk" is so topical these days that a journalist recently asked President de Gaulle if he had read the Servan-Schreiber book. "We don't go in for literary publicity here," de Gaulle replied. Nonetheless, he has read it.

Having been jolted awake by the specter of American technical domination, the average European understandably expects that something should be done about it. The trouble is, few experts agree completely on the nature of the gap or on its implications. Just how significant is it—in terms of economic growth, for example—that Western Europe has 12,800 computers in service as compared with 63,000 in the United States? Such comparisons were even more striking in the early 1960's, yet President Kennedy, anxious to get the U.S. economy moving, dispatched his top economic aides to Western Europe in search of the secret of *its* economic boom.

There is also a suspicion among disinterested observers that the gap is purposely being exaggerated by various groups to further their political objectives. Harold Wilson, for example, claims that Great Britain, which spends only a third less on research and development than all six Common Market nations combined, would be able to rescue the Market from U.S. technical domination if it were only a member. The more dramatically Wilson describes the gap, therefore, the better is his case for Britain's entry. And Servan-Schreiber's self-styled "action book" essentially was written to prove that only a political crash program aimed at setting up a tightly federated United States of Europe can keep the old continent from becoming the caboose on the fast American train. Finally, many European industrialists, currently operating in depressed economies as the last internal tariff walls between Common Market countries are slid-

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ing down and with Kennedy Round tariff cuts coming up this year, are whipping up gap talk as further proof that some old-fashioned protectionism may be needed.

The main antidote to all this European defeatism is being supplied by U.S. diplomats and businessmen in Europe. Out of Washington have come facts and figures to bolster Europe's sagging confidence in its technical ability. U.S. ambassadors in the major European countries are dutifully delivering a series of pep talks, reminding European audiences, for example, that in the postwar period the United States can claim credit for only thirty-three major technical breakthroughs while Europe can boast of fifty-two such achievements.

One event that should have reinforced the pep talks occurred on December 11 at Toulouse in southern France, when some thousand British and French officials and guests, wrapped in blankets against a freezing wind, cheered and clapped as the sleek Anglo-French Concorde, the world's first supersonic transport, rolled out of its test hangar. Millions of Europeans, watching the event on Eurovision, must have been pleasantly surprised to learn that their old continent could still make aviation history.

A French military band labored self-consciously through "God Save the Queen" and an RAF band answered with a booming "La Marseillaise" to celebrate the collaboration between the two nations on this project, an ironic contrast to de Gaulle's veto only two weeks earlier of Great Britain's renewed bid to enter the Common Market. As for the plane itself, if its economics bother some airline officials, the fact remains that it will be at least three years before the United States can meet the European challenge of a supersonic commercial transport plane.

Brilliance Isn't Enough

One by-product of Europe's current concern with the technological gap has been a wealth of comparative statistics on how countries spend their research and development money. Staff economists of the Organization for Economic Cooperation and Development (OECD) last fall put out a monumental set of comparative research and development statistics that show an admittedly impressive distance between the United States and Europe. For example, the United States spent some $21 billion on research and development, as against $2.2 billion for Great Britain; West Germany and France were third and fourth. Understandably, the European reaction

to the OECD figures was a collective "We told you so," followed by further anguished cries that something be done.

The OECD economists, however, as they continue to sift through the raw fact and figures of the gap problem, still aren't sure what, if anything, they signify. If the United States is spending increasing amounts of money on technical research, far more than Europe does, America's share of the world's exports of manufactured goods should also be increasing. But in fact the opposite is happening: Japan and Western Europe are cutting into the U.S. share of total exports of manufactured goods. Thus much of American research and development expenditure doesn't appear to be directly contributing to American economic power abroad.

Moreover, as OECD Secretary-General Thorkil Kristensen points out, there is precious little difference between the highest levels of the technical sciences as taught in the United States and Europe. "It seems more probable," he says with typical OECD understatement, "that the American advance is mainly due to a more practical and more effective application of knowledge than in Europe." Other economists, both in the United States and in Europe, also tend to put the blame for the gap where it mainly belongs: on weak European management and Europe's insufficient educational goals.

Europeans are learning that it is innovation, not invention, that creates jobs, or, to put it another way, that it takes good management to make something out of brilliant technology. The French twin-jet transport Caravelle is a case in point. It is a French axiom that the Caravelle has been a "brilliant success" since it first flew in 1955, years ahead of any medium-range jet. It *could* have been a brilliant success. Yet over the years, despite constant suggestions by a few market-oriented French officials, nothing was done to make either a "Baby Caravelle" or a super-Caravelle. So the British Aircraft Corporation built its small BAC One-Eleven and the market was left open for Boeing's long-range 727. The result: only 255 Caravelles have been sold after more than twelve years of effort, and the basic Caravelle design remains unchanged. In short, French management failed through lack of innovation to exploit a brilliant technical achievement.

A MORE recent example, again in France, gives another practical insight into gap talk. Semiconductors are to electronics what nuts and bolts are to metalwork, and French ambitions in space, aircraft, and computers, as well as in consumer items such as color television, promised a boom market. The technology for the latest and most exotic type of semiconductor was known in almost every French university physics lab. The investment capital required was within French means. Yet French industry, despite prodding by the government, hung back from exploiting such technology. Finally, and with considerable reluctance, the Gaullist government called in the Americans. Motorola, for one, built a semiconductor plant at Toulouse, promised to carry on research work there, and put a physics professor from Toulouse University in charge. Over the past two years a half dozen American semiconductor companies have built plants in France, supplying not only all of France's needs but enabling it to become one of Europe's

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largest exporters of the vital electronic component.

Here was a case, then, of a technology known to French companies, or at least available to them in their own universities. But not even a Gaullist government, despite its obsession with independence in such fields, could prod French industry into action. Today, as one might expect, the French semiconductor industry is groaning about U.S. domination. In this field, as in many others in France—synthetic rubber, oil refining, and computers, to name a few—U.S. companies dominate for the simple reason that they largely created such industries. However beneficial the effect of the new restrictions on U.S. investment abroad may be on the stability of the dollar, Europeans may find that the withdrawal of this kind of creativity will hurt.

Gap talk also points up the deficiencies of Europe's "elite" approach to education. To be exploited, technology needs trained personnel. In the United States, about forty per cent of the age group between twenty and twenty-four goes on to advanced schooling. In Great Britain, by contrast, the figure is roughly five per cent, and in West Germany around eight per cent; France, currently making a strong effort in the field of technical education, has a comparative percentage of around fifteen. In creating an educated elite, Europe ends up with enough technical chiefs but few technical Indians.

CURIOUSLY ENOUGH, however, there are many among European executives in the industrial avant-garde sectors who maintain that it isn't primarily the technical problems that create the difficulties, but rather the practical problems. Their point is illustrated by the fate of the complex electronic gear being fitted into the Concorde supersonic transport. To begin with, the main objective of the Concorde exercise was to build the entire aircraft without borrowing from U.S. technology. For the Concorde, because of its speed, twice that of sound, this meant developing inertial guidance systems for precise navigation. France's Sagem Company and Britain's Ferranti, Ltd., after considerable research effort, came up with an admirable inertial guidance system that is being fitted into the first two prototypes. Thus the "technical challenge" in this sector was met.

But Concorde's managers forgot about their customers, the airlines, particularly the eight U.S. carriers that have options so far on thirty-eight of the first seventy-four Concordes. Since only U.S. companies like Litton Industries and the AC Electronics division of General Motors have had substantial experience with inertial guidance systems as a result of their involvement in the U.S. space program, airline officials told Concorde management they preferred the American equipment unless the Concorde management was willing to run the risk of paying heavy "reliability penalties" if the inertial guidance system failed to work properly. Apparently neither the Concorde management nor the French and British governments were willing to underwrite such a risk. So, for nontechnical reasons, much of the Concorde's fancy navigational equipment will be American-made.

Where the Shoe Pinches

A multitude of such problems—which together add up to the practical aspect of U.S.-European technical relations—wouldn't be handled any better, contrary to Servan-Schreiber's thesis, if European nations were meshed in a federated system. Yet the present trend to join forces economically may be more encouraging for Europe than Servan-Schreiber thinks.

In the field of international space communications, for example, currently dominated by the United States, a significant European effort is under way. For the moment, space communications between the United States and Europe are being handled by the International Telecommunications Satellite Consortium. The majority interest in Intelsat is held by Comsat (owned by U.S. private interests and stockholders), while European governments hold roughly a third. The arrangement hasn't been a happy one for European aerospace companies, which have been getting only four per cent of Intelsat's contracts.

Last June, however, and with little fanfare, the French and West German governments agreed to build a major communications satellite system called Symphonie that would not be part of the Intelsat system. Symphonie, slated to be in operation in the early 1970's, will be technically superior to the Early Bird communication satellites now in operation. More important, the entire Symphonie system will be European-designed and -built.

Thus the American desire to have only one international space-communications agency—Intelsat, under U.S. control—may be thwarted. Even if the United States tries to block this European counterattack by refusing to supply a launcher for the Symphonie satellite, as it has indicated it might, Symphonie satellites can be launched by a European rocket now being developed by the Launcher Development Organization. Moreover, it will go up from the French space center being built in French Guiana in South America.

Both French and German officials have expressed a willingness to incorporate their Symphonie system into Intelsat (Italy and Belgium are also expected to join). But their price will be a renegotiated system in which the Europeans will have more of a say and will get more of the space-communications business. The basic motivation behind this challenge to the United States, of course, is not politics but money. Space communications is where the financial action is, and the major European countries seem determined to get their fair share.

Obviously, Europeans are disturbed by more than the technological gap alone. It is irksome that U.S. companies also have taken substantial positions in nontechnical sectors such as food processing. But how important is it that nearly a third of the French cookie industry is now in American hands? For that matter, as the French economist Pierre Uri has pointed out, European capitalists a hundred years ago owned considerably more of American industrial assets than U.S. companies own of European companies today. And "The United States," Uri points out, "didn't do too badly."

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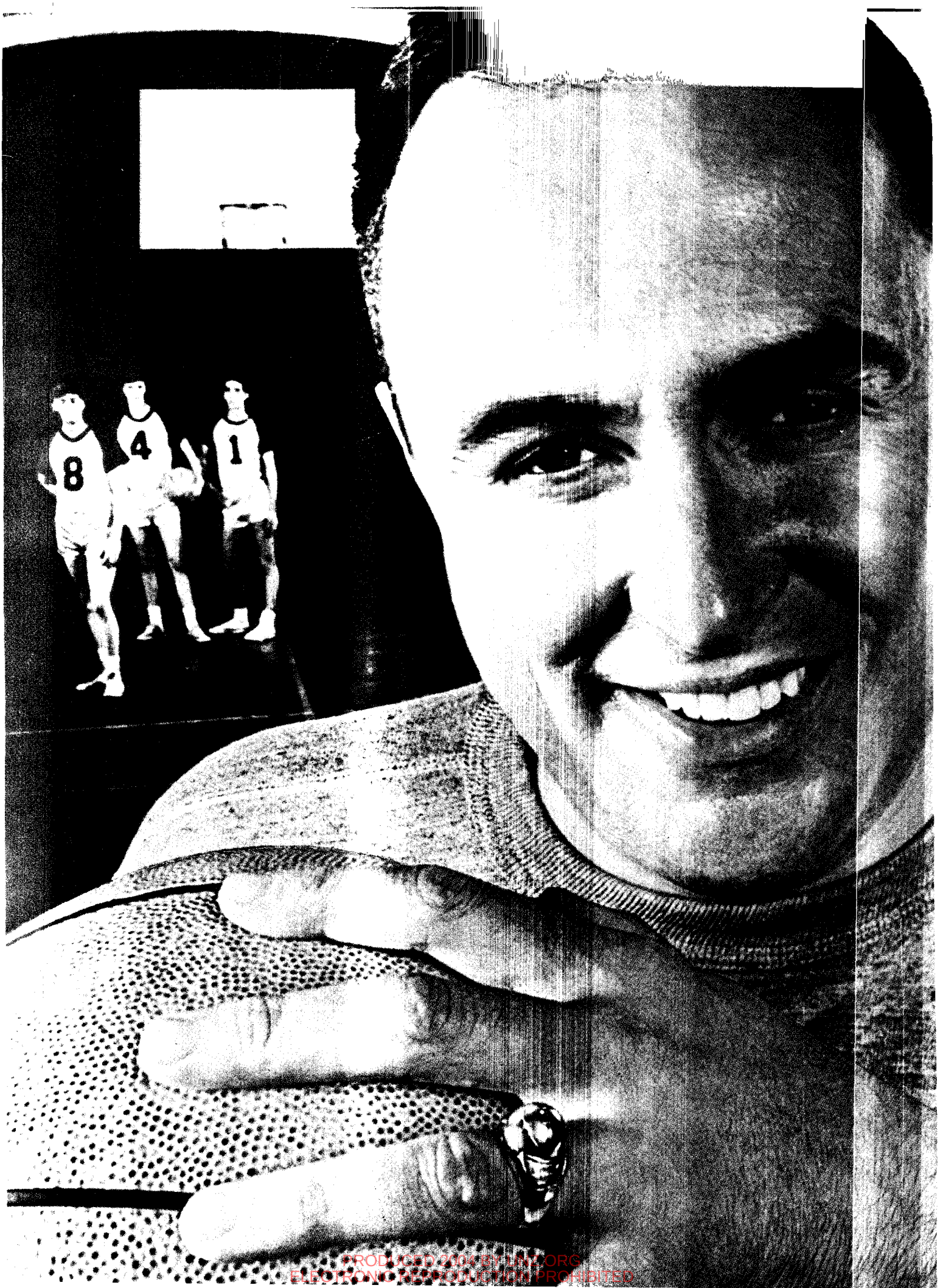

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This ex-pro basketball star found his toughest competition selling computers.

At 6 foot 4, 210 pounds, Paul Arizin was one of the "small" men in professional basketball. Today, he's an IBM computer salesman in Philadelphia.

His competitors aren't seven feet tall anymore, but the challenge is just as tough. "That's why I chose the computer business," says Arizin. "When I retired from pro ball, I simply couldn't take a routine job.

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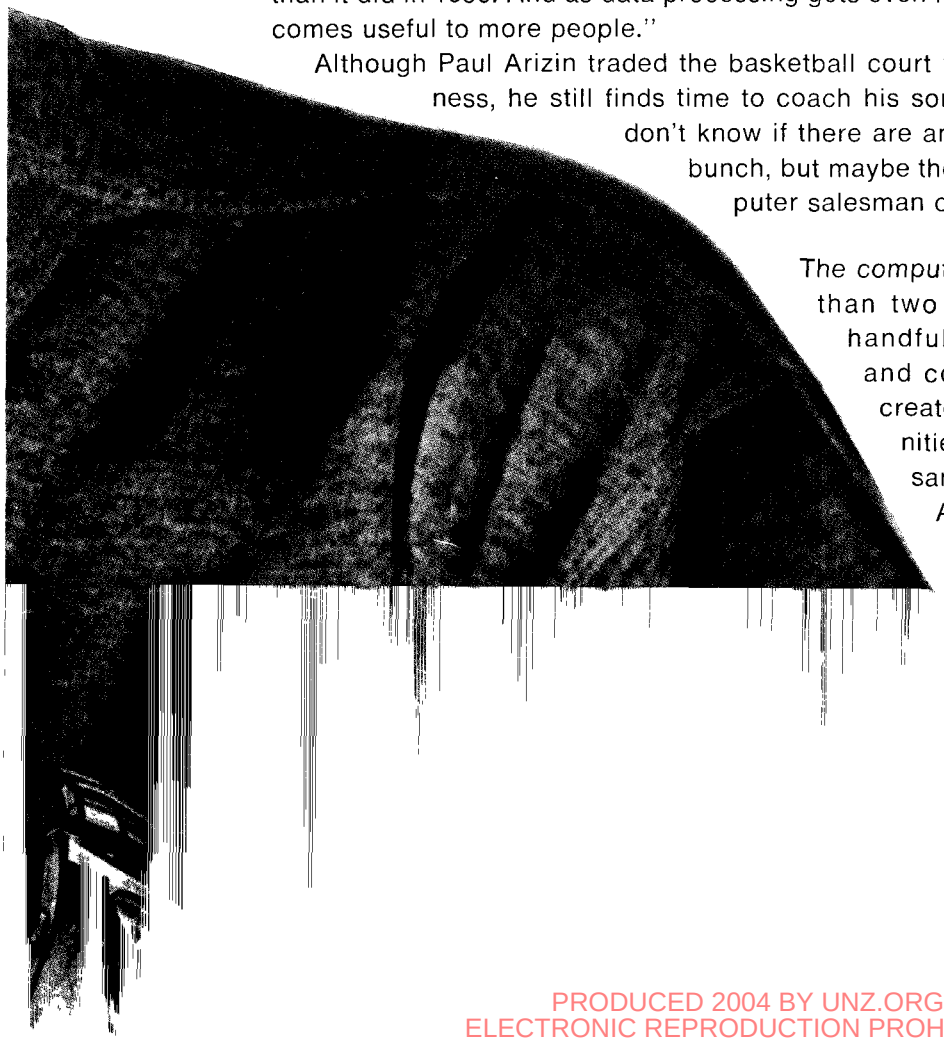
"All this competition not only makes my job exciting, it's good for the customer. For a dollar, today's computer can process a thousand times more data than it did in 1950. And as data processing gets even more economical, it becomes useful to more people."



Although Paul Arizin traded the basketball court for the computer business, he still finds time to coach his son's basketball team. "I don't know if there are any all-Americans in the bunch, but maybe there's a promising computer salesman or two."

The computer industry began less than two decades ago with a handful of firms. Today, IBM and companies like it have created new career opportunities for hundreds of thousands of people like Paul Arizin.

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THE HUMAN CARE PACKAGE

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Send him patience. He'll appreciate it for the rest of his life.

Send him understanding. It's something he can use.

Send him kindness. That's something that'll never go out of style.

Send him the one thing only you can give him. Send him you.

The Peace Corps, Washington, D.C.

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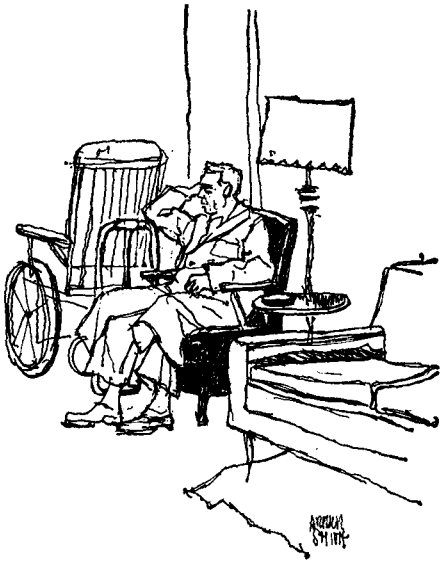

What Price Medicaid?

ELI GINZBERG

ALTHOUGH more than two and a half years have passed since Congress enacted Medicaid as a companion measure to Medicare, few people would be able to describe it with any precision. The new Medical Assistance Program is not a single program but potentially fifty-four separate ones, based on the principle of Federal cost-sharing with the states and other territories at a variable rate of fifty to eighty-three per cent, depending on the level at which the states are prepared to provide medical care for welfare recipients and the medically indigent.

The Federal legislation established the minimum services that must be provided: each state program must cover all recipients of Federally aided welfare and make available to them at least five basic services—inpatient and outpatient hospital care, physicians' services, X-ray and laboratory services, and skilled nursing-home care. But states could go far beyond this minimum and include in the plans people who were self-supporting except for medical expenditures, the "medically indigent." They could also add services beyond the minimum five.

A large majority—thirty-six states, the District of Columbia, Puerto Rico, and the Virgin Islands—have risen to the Federal bait. But Guam and fourteen states, including most of the South and such preserves of the status quo as New Jersey, Indiana, and Colorado, are still outside the system. Their foot dragging reflects lack of willingness or ability to come forward with at least seventeen per cent of the required funds. One should remember that most of these states do not provide sufficient funds to enable their poor to receive even state-approved minimum allowances for food and other essentials. The odds, however, are that the recalcitrants will join up before 1970, since under the terms of the law they would otherwise lose medical-care payments on behalf of welfare recipients already receiving Federal help: the blind, families with dependent children, the aged, and the disabled.

A Variety of Responses

Of the thirty-nine units that had established a Medicaid program by the fall of 1967, fifteen have restricted their plans to welfare recipients while twenty-four include the medically indigent. Only Wyoming limits itself to the Federally established minimum services; the rest provide from one to twenty additional services. A few states provide for more services to welfare recipients than to the medically indigent. The variability among states even with respect to the basic five services is very great. Montana allows only a total of fourteen days of inpatient care per year, while Idaho allows twenty days for each admission. In Louisiana a patient may visit a doctor twice in one month; in Utah patients with chronic illnesses are limited to one visit per month. When drugs are covered, they usually have a $10-to-$15 monthly ceiling or are allowed only for inpatients. But the most important difference between the various state plans lies in the wide spread among the annual income levels used to determine medical indigence—a high of $2,900 for a single adult and $6,000 for a family of four in New York, and a corresponding low of $1,728 and $2,448 in Oklahoma.

In its last session, Congress reacted to New York's combination of high eligibility levels and virtually open-ended benefits and their implications for Federal reimbursement by amending the Medicaid legislation to define as medical indigents persons whose income did not exceed welfare subsistence levels by more than thirty-three per cent. Congress was led to act by the realization that under the New York plan about a third of the state's population was eligible for Medicaid, although a much smaller proportion had registered (it is anticipated that by the end of 1968 about half of the eligibles will be enrolled). Since the *average* annual individual bill for services is currently about $450, the potential liability of the Federal government for Medicaid in New York State alone could amount to six million persons times $225, or $1.35 billion annually. This figure, moreover, is based on the premise that medical services will not rise in cost, an assumption at variance with recent experience.

The Congressional restrictions brought angry protests from the New York State delegation, from

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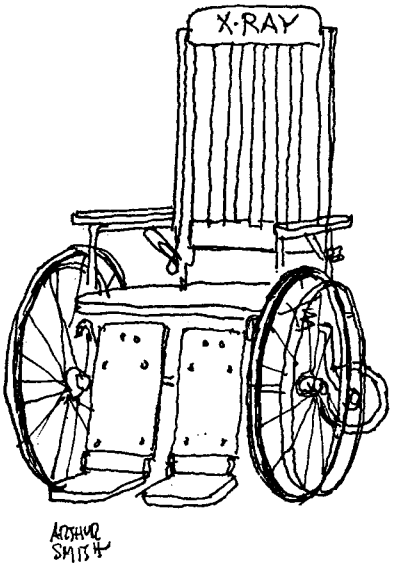
Governor Rockefeller, and from Mayor John V. Lindsay of New York City, all of whom reasonably resent the imbalance between taxes paid by their state and moneys received from the Federal Treasury. But Medicaid is hardly the appropriate instrument for rectifying this fundamental fiscal anomaly. The amount of New York's claims for Federal reimbursement for Medicaid was close to the figure initially estimated for the entire country. Unless Medicaid was to become a form of Federal encouragement to the prosperous and progressive states, Congress had no option but to stop and reconsider the road that it had begun to travel.

IT HAS BEEN ARGUED for years that the United States was lagging far behind most Western European countries by failing to include health, at least for the poor, among the services for which government should accept responsibility. Despite their victory with Medicare, proponents of social reform recognized that old people represented a minority whose health needs would remain unmet without expanded Federal responsibility. Medicare-Medicaid was seen as a major extension of the 1960 Kerr-Mills Social Security Amendment, which had sought, through the lure of Federal dollars, to stimulate the development of state programs for providing health services to medically indigent persons above the age of sixty-five. It is difficult to blame Congress for voting in 1965 to include health within an expanded welfare program; clearly it was responding to a long-felt need. If criticism is justified, it might be directed to the legislators' disregard of the complications, their underestimation of the sums that would be involved, and their overoptimism concerning the ease of providing better medical care for all of those unable to pay.

It is difficult to imagine that Congress believed it could effect a radical transformation in the medical situation of low-income families simply by the injection of between $1 billion to $2 billion into a total annual national health bill of around $50 billion. Even after matching funds by the states are added, this is a modest increment in the total. The legislators, then, were taking what seemed to them one modest step forward.

It is more difficult to interpret what the reformers had in mind. Even though they are unrelenting opponents of a means test and probably had few illusions that Medicaid would bring a high level of medical care to the poor and near poor, they must have felt that it would serve as a basis for more far-reaching improvements.

With the legislators willing and the medical reformers convinced that they had nothing to lose, important help appeared in the form of relative complaisance from an unlikely quarter—the American Medical Association. Shaken by the defeat they had suffered in the long fight over Medicare, the leaders of organized medicine had neither the resources nor the inclination to battle against Medicaid. Moreover, they have always been relatively relaxed about policies and programs



aimed at providing services for the poor, who are of minor consequence in private practice. Since Medicaid had been drafted to assure free choice of physician, fees for services, freedom for the physician to join the system, and most of the other safeguards demanded by the AMA, why should the leadership put up more than a token fight? The impact of the new legislation would be to turn charity cases into paying patients.

Hospitals looked forward eagerly to having their bills paid. Governors and mayors from the more progressive states saw the prospect of their health and welfare budgets being eased by an infusion of new Federal money.

The Beneficiaries

With hindsight, it is clear that any legislation that found favor among such disparate groups must have been radically awry from the outset. Everyone was to get something, yet give little or nothing in return. With Congress putting in very little additional money (so it thought), the medical reformers saw the opportunity for a major move to reshape the prevailing system of medical services to people with low incomes, and all this without disturbing the entrepreneurial freedom of the medical profession to any significant degree.

The hospitals, at least, have not been disappointed. It is they that have received the bulk of the moneys paid out by Medicaid. Moreover, under the "reasonable cost" provision, in many states they have been able to raise substantially the rates that they could charge. Several hospitals in New York City charge more than $90 a day for Medicaid patients, about twice what they were reimbursed by the state government less than two years ago. Nor has this been the total extent of their gain. Since Medicaid pays for outpatient care, there are hospitals that now claim reimbursement at the rate of $20 to $25 per outpatient visit. In some cases this represents a several hundredfold increase over previous state reimbursement rates.

The complaisance of the doctors has also been largely justified. It is true that many participating physicians complain bitterly about the red tape that has delayed their payments, some are restive about the arbitrary manner in which their bills have been reduced, and others are concerned about the exceedingly high eligibility limits in certain states for certification for medical indigency. But New York City's announcement in December that thenceforth it would audit the bills of participating physicians whose requests for reimbursements exceed $5,000 monthly appears to bear out

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the AMA's perception that it could live with Medicaid.

What about the reformers and their anticipation that Medicaid would lead the poor at least part of the way toward the benefits of American medicine? The first point

at issue is the definition of the poor. If New York's income standards are followed and applied to the nation as a whole, about half the people would be found medically indigent. There is no evidence that *quality* medical care carries a substantially different price tag in different parts of the country. The real reason for the wide discrepancy in the definition of medical indigency among the states reflects disparities in social attitudes, fiscal capacity, and medical standards.

In short, arithmetic stands in the way of delivering a reasonable level of medical care to all the people if we adopt as a norm the quantity and quality of care that the more prosperous states hope to provide. If Medicaid sought to bring the thirty million defined as poor by the Office of Economic Opportunity —about fifteen per cent of the population—into the established system, it would prove a difficult but potentially manageable task. But fifty per cent is something else again. With the program not yet in full swing, Governor Ronald Reagan of California has already sought, and Governor Rockefeller will probably be forced to seek, cutbacks in their states' support for what is turning out to be an exceedingly expensive effort.

A second assumption that warrants closer inspection is that by the opening of a new source of financing for medical care while all other parts of the system are left substantially intact, the recipients will receive much better care than before. There is no denying that voluntary hospitals are now inclined to admit and treat patients who have been certified for Medicaid and that physicians who are participating in the program are willing to treat them. Money does count, and a poor man with new-found funds is appreciably better off. But money in the pockets of the poor does not suddenly get transmuted into more doctors, more hospital beds, and more approved nursing homes. Medical resources were tight before Medicaid, and they have become tighter since. The poor and near poor must still compete with those who have more income, and it is optimistic indeed to expect private physicians to set up practice in the slums of the Northern cities because many indigent Negroes are now certified for Medicaid. (Indeed, it is doubtful whether more than fifteen per cent of the physicians in New York City are regularly participating in any effective way in providing services under Medicaid.) Finally, no one has yet demonstrated how the fourteen million rural poor, eleven million of whom, according to the President's Commission on Rural Poverty, are white, are suddenly or even slowly to obtain more and better medical services than in the past. In short, a few billion dollars of additional financing can neither add significantly to the pool of medical resources nor do much to redistribute existing resources in favor of the poor.

WHAT has happened and what will happen is reasonably clear. The purveyors of medical services will continue to benefit from the new infusion of funds; hospitals will have fewer bad debts; physicians will no longer adjust their bills downward or fail to collect; pharmacists will enjoy increased sales. All this was inevitable when the aim of the legislation was to disturb nothing in a system that the medical reformers have repeatedly indicted as unplanned, inefficient, wasteful, and exploitative. The best that could result from the infusion of modest additional Federal funds was the hope that the states would liberalize the terms under which they would provide medical services. The states have responded and persons certified for Medicaid have made some palpable gains, but it would be indulging in fantasy to believe that under the present law the poor will be treated to the best that American medicine has to offer.

No country in the world has been able to equalize the quantity and quality of medical services rendered the rich and poor, the urban dweller and the farmer. Even the Soviet Union and Great Britain have been able to establish a minimum level of services for all citizens only through a national system in which the government has substantial control over all medical resources, including physicians. Admittedly we are much richer than either of these countries. But simply by virtue of that fact, a majority of the country is reasonably satisfied with the status quo.

There is no possible way of defining a third to a half of our entire population as entitled to medical care at government expense without a revolutionary restructuring of American medicine that would include control over doctors. Until the poor and near poor succeed in bringing about major changes in American life, the present highly imperfect system based on consumer dependence, physician's freedom, community autonomy, and governmental impotence is apt to persist, even as its desultory transformation continues. Meanwhile, politics being the art of accomplishing the possible, it would seem the better part of wisdom to concentrate on a limited number of objectives that have a reasonable prospect of being attained, such as improving outpatient services, nursing homes, and preventive medicine for children in the schools, and in ensuring that government funds are used effectively for the poor.

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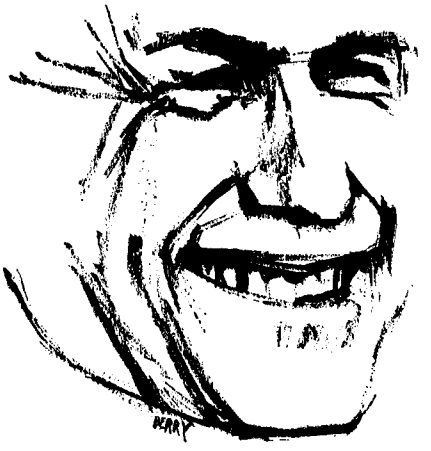

Rockefeller's Waiting Game

MARTIN NOLAN

ALBANY

POIGNANT IRONIES, both trivial and momentous, festoon the career of Nelson A. Rockefeller and make the New York governor's role a suspenseful one with a profound influence on every politician's thinking. The first fact about Rockefeller—beyond dispute except among his most bitter enemies—is that he is the Republican with the best chance of winning the Presidency this year. The irony in this fact, however, is that Rockefeller's ideas on domestic problems and his still unrevised statements about foreign affairs mark him also as the Republican whose policies most resemble those of President Johnson.

The governor seldom has unkind words for the President. During his annual message to the legislature this month, Rockefeller said he was "pleased" with "the President's decisive steps" in defending the dollar. His actions in education and conservation in the state have paralleled Johnson's. He is also one of the few governors in the state's history to pay attention to rebuilding the face of Albany, just as Johnson has done more than any modern President in caring for the problems of the District of Columbia. Political aides in the Johnson administration are not hesitant about assessing Rockefeller's role in public life. "He's the best governor in the country," says one. "The President respects him very much, probably more than any other Republican," says another.

Such statements, however sincere, are grounded in the firm confidence among Democrats that the Republicans will not nominate Rockefeller. And they are peculiarly similar to Richard M. Nixon's recently discontinued statements in praise of Rockefeller. Last year, Rockefeller denounced Nixon's praise as devious and divisive. Now that Nixon has stopped it, Rockefeller has found that applause from others—in the press and in public-opinion polls—does not deserve such denunciation. What has happened to Rockefeller's ambitions in the past year? The answer is wrapped in the enigma of Rockefeller's support for Michigan Governor George Romney.

Embraceable George

In September, shortly after Romney confessed that his thoughts had been laundered in Saigon, a leading Republican officeholder appraised the statement in light of its effects on Rockefeller: "Nelson must be furious; George wasn't supposed to stumble until *after* the primaries." In supporting Romney with money, advice, and public statements, Rockefeller is doing the right thing both ethically and politically. The coincidence is rare enough in politics to nourish the suspicion that Rockefeller has not abandoned all hope of the White House. The louder his protestations of support for Romney, the deeper becomes Rockefeller's ethical dilemma. The lower the fortunes of Romney descend, the more the Michigan governor resembles a cat's-paw—not even a stalking-horse—for a Rockefeller candidacy. There is only one way for Rockefeller to escape the suspicion that he is aiming for the nomination. That way is to enter a monastery. The governor has eschewed this approach, as he proved when he went to New Hampshire the day after his annual message to the legislature in Albany.

Because of the poor response among liberal Republicans to Romney in New Hampshire, Rockefeller was asked to speak to his own 1964 supporters there as a John Alden seeking support for Romney's Myles Standish candidacy. In his exposition, Rockefeller mentioned Romney only briefly. His first reason for supporting Romney, he said, was that "he's a moderate and we moderates have to stand together. This is essential if those values that we hold dear are to prevail in the party." Rockefeller then listed qualities of leadership that could be met by several Republicans and said, "George Romney offers a unique opportunity for us because George Romney is that type of man." His third reason for backing Romney was that "He offers coattails for our party. Look at what he did in Michigan." (Romney carried in a Senator and five Representatives in 1966.) One listener, a state Republican official, said he was swayed by Rockefeller's talk. "Yes, sir, I got the message," he said, "and I'm sure backing Romney. I think he'd make a great cabinet member in a Rockefeller administration."

This remark, mixing cynicism and hope, typifies the growth of the Rockefeller dream or drive or juggernaut—or whatever the movement may be. At this stage of the campaign, such a movement flourishes in the hothouse atmosphere dominated by the press and the polls. Rockefeller has blossomed in both areas. He has been all but endorsed by James Reston, Walter Lippmann, the Detroit *News* (which abandoned

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Romney), *Fortune,* Bob Considine, and even Earl Wilson, the night-life chronicler of the New York *Post,* who suggested that he receive the actor of the year award. And, perhaps as a result of all these favorable notices, his stock among non-Republicans has risen steadily in the polls.

Before the primaries, the press naturally craves suspense and can hardly be satisfied by a simple confrontation between Nixon and Romney, both predictable commodities. The television networks, particularly, require drama and can find it, as two of them proved following Rockefeller's annual message. Rockefeller, who is not noted as an orator, read through his half-hour speech undisturbed by applause. During his one departure from the text, he took off his glasses to commend President Johnson's actions on the dollar. Then, a few minutes later, he noted, "We must face the fact that government at all levels—just like a family—cannot spend way beyond its means for long." The two remarks were carried on two network news shows that night, even though Rockefeller had said the same thing about spending five days earlier and even though he had asked the legislature for $500 million in new taxes. To most of the millions of television watchers and particularly to conservative Republicans, the television message was one of a new Rockefeller.

THE GOVERNOR is the embodiment of suspense. Can a man who was booed at the 1964 convention for opposing Barry Goldwater be cheered as the nominee of the 1968 convention? The suspense will either rise or fall on March 13, when New Hampshire Republicans will have proved that Nixon is the big vote-getter that he needs to be or will have finished or seriously damaged his Presidential hopes.

If Nixon should humiliate Romney in New Hampshire, then March 13 will require a decision by Rockefeller. His "present plan" for subsequent primaries is to sign the affidavits pledging himself to non-candidacy required by the primary laws of Wisconsin and Oregon. Rockefeller, who won the 1964 Oregon primary and who is supported by Governor Tom McCall there, has written to the Oregon secretary of state, saying, "I am not a candidate and will not be a candidate for the Republican nomination in 1968." He has not sent the required notarized affidavit, which must be filed before March 22 if his name is to stay off the ballot.

The ideal outcome in New Hampshire for Rockefeller supporters would be a "moral victory" for Romney. This victory would require more than forty per cent of the vote for Romney, enough to keep his hopes alive and enough to encourage California Governor Ronald Reagan to challenge Nixon in subsequent primaries. If Reagan charged onto the field in Wisconsin, Nebraska, and Oregon, he could wound Nixon and might even allow a Romney victory or two. These victories, however, would hardly be decisive and would only heighten the suspense; the beneficiary would be Nelson Rockefeller.

Playing Favorites

This prospect must plague Nixon. His biggest booster among the governors, Norbert Tiemann of Nebraska, suggested to the Republican governors at Palm Beach in December that they resolve to support the candidate winning a majority of the contested primaries. Tiemann's motion received one vote, his own. At the same meeting, Rockefeller made news by saying that he would "face" a draft if one should develop, though he thought such a draft would not occur. A week later, Nixon's campaign director leaked to reporters a threat that Nixon might enter primaries in New Jersey, Pennsylvania, Florida, Massachusetts, Ohio, and Illinois—all states where a governor or a Senator has set claim to a favorite-son candidacy. This ploy is a common bluff in politics, as John F. Kennedy proved in Ohio and California in 1960. Kennedy made his threat, however, from a position of strength, having won several primaries. Such a threat *before* winning primaries is a sign of weakness, if not panic. This move by the Nixon forces seemed a direct response to the threat of a more willing Rockefeller.

Exegeses of Rockefeller's non-candidacy often make headlines: "ROCKEFELLER DENIES WANTING PRESIDENCY"; "ROCKY: 'NOT GOING TO BE A CANDIDATE' "; "ROCKY UNLOCKS DOOR TO DRAFT." More crucial to the party's future is his status as New York's favorite son, a role conceived in irony and evolving into further irony each month.

Rockefeller made his first disavowal of Presidential ambitions as a response to a rebellion within his party against his third-term candidacy. The rebellion was led by State Senator John Hughes of Syracuse, a conservative part of the state, who asked that Rockefeller step aside and let Senator Jacob K. Javits run for governor in 1966. Rockefeller said "I will not be a candidate in the next Presidential election" in July, 1965. In May, 1966, amid reports of a "deal" between himself and Javits, Rockefeller said that "Jack Javits is pre-eminently equipped for national leadership and for candidacy on the national Republican ticket." He also said that Javits should share the ticket with Romney: "I find a growing feeling among Republicans that it might be nicer to have them together in our future."

Thus tied to Romney's kite, Javits has since seen his Vice-Presidential and favorite-son ambitions fade with Romney's hopes. Rockefeller, re-elected in 1966 with Javits's blessing, is the beneficiary this time, too. Last June, he said that he would accept the favorite-son mantle "as a last resort." In September, his state chairman said that Rockefeller's favorite-son candidacy was a "definite possibility." By January, Javits was preparing to ask that Rockefeller become a favorite son in the name of party unity.

The most likely path to a Rockefeller nomination would not be a draft but a deal, made among party bosses at the G.O.P. convention in August. If the deal were consummated, it would add another ironic chapter to the career of Nelson Rockefeller, who campaigned against bosses and backroom deals in his three races for governor. Rockefeller would be the first to point out that a backroom deal involving the bosses at Miami Beach would be only a bow to public opinion. Meanwhile, the suspense continues as Rockefeller walks the fine line between coyness and candor.

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Signs of Strain On Tunisia's Stability

FRED HAUPTFUHRER

TUNIS

AN OASIS of stability in a desert of political sandstorms. An Arab nation that publicly advocates acceptance of Israel's existence. A country within the French sphere of influence that seems untainted by Gaullist attitudes toward the United States. An impoverished chunk of North Africa that gets more U.S. aid per capita than any other populous country on the continent and has the biggest Peace Corps program in any Arab country except Iran.

This is Tunisia (population 4.5 million; area 58,000 square miles, about the size of England). And Tunisia adds up to one of the anomalies of the present-day international political scene. Its President, Habib Bourguiba, neither maintains a big military establishment nor goes off on the propaganda tangents that other régimes find it necessary to resort to as a diversionary political tactic. Over the past year, however, for the first time since Tunisia became independent in 1956, Bourguiba's carefully contrived political patchwork seems capable of coming undone.

THE WHOLE modern political history of Tunisia is built around Bourguiba and his Socialist Destourian Party (PSD). Bourguiba spearheaded Tunisia's struggle for independence from France, and he and the party assumed power when Tunisia's seventy-five years as a French protectorate came to an end.

The PSD, Tunisia's only political party, is easily the most efficient and effective domestic political organization in the Arab world. It ingeniously combines a high degree of centralized control with party cells in every town and village. Many individuals with top jobs in the central government hold important regional or local offices as well. That virtually all power in Tunisia is vested in this entrenched political organization sets Tunisia apart from most other Arab countries, where the armies hold the balance of political power. In Tunisia, the army's political role has been negligible.

By Arab standards, Tunisia enjoys reasonably good central administration (local and regional government is another matter). As a government minister put it, the PSD policy is "social without the ism." The economy is divided into three sectors: public, private, and mixed (in the last, the government has a substantial stake in commercial and financial undertakings). According to western specialists here, Tunisia will wind up with government control in every major sector of the economy, but without the disruptions common in other underdeveloped countries.

For all practical purposes, Bourguiba is a dictator. The Assembly is his rubber stamp, and the government controls the press. The President seldom has to resort to repressive measures. He is adept at manipulating potential opponents and bringing them into his own political harness. Troublemakers are shunted abroad to diplomatic posts. Moreover, Bourguiba is incontestably the father of modern Tunisia and no one is allowed to forget it. His picture is in every office and public place, and his name is given to streets and towns, most of which have at least one Bourguiba monument or statue.

A Time for Needling

Despite strong controls, there is a new uncertainty in Tunisia, and its causes range from the inflammatory radio propaganda beamed in from Algiers and Cairo to the country's economic difficulties and the President's detachment from the mood of his own people.

Any latent discontent here is fanned periodically by Egyptian and Algerian "revolutionary" broadcasts. Radio Cairo's music programs are the thin end of the political wedge. In particular, Algerian and Egyptian propaganda depict Bourguiba as a puppet of the United States and as a weak link in the Arabs' confrontation with Israel.

It is true that few Tunisians are seriously concerned about the Palestine problem. A Tunisian businessman explained: "How can you expect us to get worked up over the refugees when many of our own so-called free people are living in worse conditions?" A story making the rounds here is that the Tunisian contingent took four days to travel from Tunis to Sousse (about a hundred miles) on its way to the conflict last June but required only four hours to get back. Just the same, many Tunisians are disconcerted that their government always seems to be bringing up the rear in the Arab cause over Palestine. This emotional uneasiness is exploited by Algiers and Cairo at every opportunity.

Bourguiba's growing aloofness predates the heart attack he suffered last spring, which forced him to curtail his public activities. At sixty-four, the President seems to be out of touch with the mood of Tunisia's young people. In speeches, he refights the old battles again and again —a yawning matter for most Tunisians today.

There are other pinpricks for politically and socially conscious Tunisians. One is continuation of the great gap between rich and poor. Poverty in southern Tunisia is worse than any to be found, say, in Egypt. Magnificent, well-kept villas—many of them newly built—are the rule in some residential sections of Tunis and in suburban Carthage. It is difficult to escape the conclusion that too much of the benefit from American aid—$500 million over the past decade—is flowing in the direction of the villas and not toward the mud and palm-branch shacks in the south.

Bourguiba himself divides his time among a string of palaces and villas built since independence. Another presidential palace is now being built outside the remote inland city of Kairouan. "The President comes here from time to time," a local official told me. Foreign Minister Habib Bourguiba, Jr., defended the new palaces: "We did not inherit appro-

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priate buildings as other newly independent countries did, so we had to build them. You have to have a respectable place for the President. In fact, the palaces are very modest. They do not even have proper accommodation for important visitors."

Such rationalization does not convince all Tunisians. One wit recently painted "Realization of Tunisian Socialism" on the walls around the younger Bourguiba's own palatial residence here. Though married and the father of three, the forty-year-old Foreign Minister has never been able to live down his reputation as a playboy—a possible obstacle to his chances of succeeding his father.

THE REGIME'S major problem, however, is a sputtering economy. Helped along by aid from Eastern Europe as well as from the West, the Tunisian economy experienced an annual growth rate of six per cent until the mid-1960's; it is now down to about three per cent.

Unlike neighboring Algeria and Libya, Tunisia has not discovered large oil and gas fields; the one producing oil field is a joint Italian-Tunisian undertaking. The country has a chronic balance-of-payments problem. The annual bill for imports usually runs two or two and a half times as high as proceeds from exports. The Tunisian dinar is nonconvertible. Tunisia's trouble in meeting its external debts results in shortages of spare parts and replacements. It is difficult to get money out of the country or luxury goods into it: imports are restricted mainly to essentials.

Trying to capitalize on its seven hundred miles of sandy beaches, Tunisia has invested heavily in tourism. But it has to offer such low prices to cut itself in on the fiercely competitive Mediterranean holiday business that some hotels run at a loss even when filled to capacity. The Arab-Israeli hostilities further reduced the returns from tourism.

Thus for the time being at least, the pace of economic development has been taken out of Bourguiba's hands by events beyond his control. What remains to be seen is whether the régime, while losing economic ground, can maintain its political position. Already there have been signs of ferment, including student riots last June, when the U.S. and British embassies were attacked and the main synagogue and scores of Jewish-owned shops were ransacked. The official explanation is that the rioting was a spontaneous and emotional act of hooliganism, but few who saw the mob leaders in action swallow that line. One merchant told me: "This country has never had a mob demonstration that was not organized, and I doubt that this was an exception."

Essentially, these riots were an expression of protest against the Bourguiba régime; the Arab-Israeli hostilities were merely a convenient pretext. The demonstrations are believed to have been organized by left-wing dissidents within Bourguiba's own party. Working through sympathizers in the police and security forces, they arranged for the officers on duty to stand by passively

until the street mobs could be stirred up and the demonstrations got out of hand. It is a matter of private speculation whether Economics Minister Ahmed Ben Salah, Bourguiba's chief rival and the darling of many young radicals, connived in or tacitly endorsed the demonstrations. Bourguiba publicly denounced the rioters, arrests were made, and sentences of up to twenty years' hard labor were imposed. More significant, there was some high-level reshuffling in the police and security forces.

What lesson Bourguiba has drawn from the experience is not yet clear. He may feel that the political situation is now in hand, or he may decide that an expansion of the armed forces is in order. The course of the disturbances certainly suggests that the government does not possess the law-enforcement capacity to control nationwide unrest, if it should ever come to that: though the riots were confined to Tunis, the military had to be used to capacity to contain them. (At present, the total strength of the military and police forces is believed to be between ten thousand and fifteen thousand.)

Despite Bourguiba's inability to keep the lid on social and political pressures in this instance, most western diplomats here think that he can hold onto the presidency as long as he wishes. His is the only political leadership—indeed, the only choice—that modern Tunisia has known.

A Dubious Coziness

A Tunisian tradition of almost equal durability has been the special cordiality of its relations with the United States. The U.S. has accounted for about half of the total aid that Tunisia has received since becoming independent. Most of the U.S. aid is under Public Law 480—food shipments—but the United States also has given substantial technical assistance. Special areas of American concern have been irrigation (wells are economically more feasible here than dams) and the improvement of agricultural methods generally.

The United States is working its way into the educational field, too, though this is an uphill battle. In education and in culture as a whole, Tunisia remains very much oriented toward Paris. French more than Arabic is the spoken language among educated Tunisians, and the Tunisian educational system continues to be dominated by French administrators and instructors. The American effort, in which the two hundred-odd Peace Corps volunteers play the leading role, is confined mainly to the teaching of English. This is vital to the functioning of U.S. economic endeavors, especially as there are few available American technicians and other experts who know Arabic or even French.

The chief economic weakness in Tunisian-American relations is the imbalance between imports and exports. Tunisia produces little of what the United States needs or wants, whereas Tunisia's appetite for American goods and services is seemingly insatiable. In 1966, U.S. exports (aid included) to Tunisia were worth $41 million; the United States took $2 million worth of Tunisian exports.

Despite the drawbacks, the state of Tunisian-American relations is quite evidently pleasing to officials

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of both governments. But is the relationship too cozy? An American diplomat said: "We must avoid hugging the Tunisians too close. We must avoid giving the impression that Tunisia is not independent."

This impression has not been avoided. Not only does the bulk of Arab and African political opinion regard the Bourguiba régime as being on Washington's political string, but the conspicuous Tunisian-American solidarity has become a focal point of agitation for political dissidents within Tunisia. U.S. spokesmen who speak approvingly of Tunisia's frankly pro-American line miss the subtle political point that such effusiveness may in time backfire on the United States. If there is a lesson in Europe's long association with the underdeveloped world, it is that there is a point beyond which the obviousness of a connection brings diminishing returns.

Some of the artificial gloss on Tunisian-American relations was emphasized in a recent Tunisian magazine article that purported to be a serious assessment of the Peace Corps program. The gushing was so exaggerated that copies were passed among volunteers as a subject of ridicule. The point here is that many Tunisians know that the account was misleading and cannot but have doubts about why the government distorts the facts. Such doubts tend to have a cumulative effect that more than cancels out any immediate propaganda gains.

Worse, the closeness of relations has lulled some high-ranking U.S. representatives into a state of complacency. Postwar history offers numerous examples of U.S.-propped régimes whose only recommendation was their "pro-American" veneer. It has not come to that here. The Bourguiba régime compares favorably with other Arab governments. But it is not so different as U.S. spokesmen would have us believe. American and other outside experts working in the field find—especially at middle and lower levels—the same inefficiency and inertia that exist in other Arab countries. Thus it is difficult to know what to make of statements like that made to me by a ranking American diplomat here: "There is not a trace of corruption in the Tunisian government." Either it was a deliberate lie intended for public consumption in the United States or it showed that some people enjoying the air-conditioned comfort of the U.S. embassy are as thoroughly cut off from the Tunisian scene as they are from the realities of the North African summer.

I asked a diplomat from another western country how he would explain the official American buttering up of the Bourguiba régime. "You people have sunk a lot of money into it," he replied. "What else can you expect?" It is just this sort of coziness that is apt to encourage political degeneration and retard social and economic progress. Indeed, some American projects have already foundered because, as one U.S. economist put it, "The embassy chose to play footsie with the Tunisians instead of taking a firm stand."

Watkins of Watts: What One Man Can Do

WESLEY MARX

Los Angeles

Last summer, as riots flared up across the nation, this anxious city followed with increasing interest the work of Ted Watkins in Watts. First, Los Angeles newspapers reported that Watkins had organized a free check-cashing facility there after learning that welfare recipients often paid to cash their checks. Then they reported that Watkins was dotting the Negro community with twenty vest-pocket parks. Later there were photographs of Watts youngsters with rakes and shovels on their shoulders, marching to public easements to cultivate garden farms while Watkins shouted in cadence.

Finally, in August television news crews covered the departure of 2,400 Watts youngsters for summer camp at an Army training base in northern California; Watkins was identified as the man responsible for arranging this unusual use of military facilities. At the end of the two-week camping period, Vice President Humphrey said that the camp concept deserved consideration on a national basis, and Mayor Sam Yorty of Los Angeles, with Watkins beside him at a press conference, declared, "No anti-poverty project proposed has ever received such wide acceptance." Toward the end of the summer, *Time* reported: "Watts today is no man's El Dorado, but it is no longer a no-man's-land. The man most responsible is a burly, black labor leader named Ted Watkins. . . ."

Working Together

Ted Watkins has lived in Watts most of his life, so he is familiar with the third of Watts that lives on welfare in run-down bungalows that serve as a "port of entry" for rural Negroes. He is also familiar with the well-kept streets where skilled workers like himself—he was a metal polisher in a Ford factory—tend shrubbery and paint the outdoor trim every other year. Even before the Watts riots of 1965, he began wondering if his neighbors, joining together with residents in the other Watts, could organize their own programs of community self-help and self-improvement.

About the same time, in 1964, Paul Bullock and Fred Schmidt of the Institute of Industrial Relations at UCLA learned, while working on a report to the Department of Commerce on economic conditions in Watts, how two Watts youths had organized a small community association to conduct clean-up campaigns and protest neglected buildings. They wondered whether an adult counterpart could be started and whether the labor movement might provide the potential leaders, through union members living in Watts. Two Los Angeles labor leaders, Paul Schrade of the United Auto Workers and H. J. ("Red") Sperling

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of the Teamsters, were so impressed with the idea that they persuaded eight other unions to join with them and the Institute to explore it. Union membership lists were examined for Watts residents. As a result, Watkins, a shop steward in the UAW, was invited to help form an association that coincided with his thinking, the Watts Labor Community Action Committee.

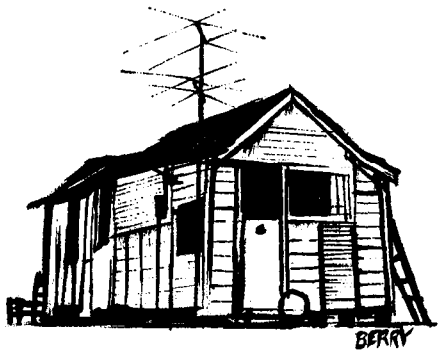
In WLCAC, representatives from the sponsoring unions and the Institute form an advisory board that provides guidance and special talent when requested. Members of WLCAC set policy through an elected executive board. Membership is free and is restricted to residents and employees of the Watts area. As an initial gesture of support without control, the advisory board agreed to pay the salary of a full-time chairman. Watkins was selected for the job; his union pays his salary.

IN THE WAKE of the 1965 riots, Los Angeles County placed on the ballot a bond issue to finance a hospital for Watts. It soon became apparent to leaders of the newly formed WLCAC that no organization existed to campaign for a bond issue so vital to the community. As WLCAC's first project, Watkins started a campaign involving two hundred volunteers and eighty organizations. Backyard barbecue benefits helped finance posters, press releases, and voter-registration drives. Paul Bullock and other Institute members supplied information for press releases by doing research on the high rate of food poisoning, tuberculosis, whooping cough, venereal disease, and hepatitis in Watts.

Though it achieved a significant plurality, the bond issue fell short of the necessary two-thirds voter approval. Watkins recalls how one prominent Negro civil-rights leader in Los Angeles reacted to this defeat: "He said it was another instance where the white community was letting down the Negro community. But we saw it as a tremendous step forward. Here were sixty-two per cent of the county voters voting for a hospital in our community." The County Board of Supervisors was so impressed that it approved alternative financing for the hospital.

The day before the bond election, a Watts school was fire-bombed. While never solved, the incident was seen by many as another instance of the vandalism that could jeopardize other public investments in Watts, such as a hospital. It probably encouraged some of the "No" votes. It also led the WLCAC into its next project. As Watkins told me, "Most Federal poverty programs are aimed at the very young, through Head Start, or young adults, through job training. But it is the kids between seven and seventeen who are prone to throw bricks and fire bombs." The few programs that existed often seemed designed to keep youth off the streets through a "fun and games" approach of free skateboards, karate exhibitions, and corporation-sponsored trips to Disneyland.

A more comprehensive program was needed. "You walk around public-housing projects in Watts and you rarely see any men," Watkins said. "Many families are fatherless. The men kids do see are often sitting on curbs and sipping out of bottles



in brown paper bags. These children all lack a strong male image." The WLCAC began thinking in terms of a youth program that could become an integral part of the growing-up process.

Jobs with Meaning

Such a program was begun in 1966, and it now involves some four hundred youngsters daily, with the number rising to a thousand for special weekend projects. The WLCAC youth crews have become a formidable labor force for neighborhood improvement. Instead of merely cleaning up littered lots, the crews have installed equipment at the new vest-pocket parks, ten of which are already in use, including one for senior citizens. The youths have also become vegetable gardeners on empty lots.

The crews use even higher skills at a workshop called the Project Center. The front office of the center features a display reminiscent of the fun-and-games approach—ceramic ashtrays—but more substantial products are found in the spacious workshop itself. I inspected a children's play cottage, neatly shingled, set on stilts to accommodate a slide and painted green and white. "These cottages are for the local Head Start program and for our parks," George Williams, a Watkins assistant on leave of absence from a Ford assembly line, told me. "Everything we do here is geared toward work, not make-work. We want kids to see their labor in actual use." The work has other rewards. WLCAC youths receive an hourly wage for participating in work programs. In a twelve-week summer period, a youth of fourteen or fifteen can earn up to $240, older teen-agers up to $500.

An old Watts building partitioned into classrooms (with drapes as doors) serves educational needs. Here school dropouts receive remedial instruction. Of 112 high-school dropouts in one group, all but twenty-five returned to school after two months in the WLCAC classrooms. Youths now in school receive tutorial instruction to keep them there; a youth who goes to public school and then to WLCAC school may not get home till six o'clock in the evening. Crew chiefs also use the classrooms to lecture on such subjects as narcotics and venereal disease.

The combination of resources that makes such a wide-ranging program possible in a community like Watts testifies to the strength of the WLCAC concept and of Watkins himself. Robert Reynolds, director of the U.S. Labor Department's Bureau of Work Programs in the California-Nevada area, was an early supporter of Watkins's ideas. He began granting Federal funds to WLCAC through such Bureau programs as the Community Conservation Corps. With the Office of Economic Opportunity providing additional funding, the WLCAC youth program now receives more than $400,000 annually in Federal funds. The money pays for free lunches, hourly-work wages, tools, program overhead, and a peak summer staff

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of seventy-five, including professional teachers and union workers on extended leaves of absence.

YET these funds cannot buy the volunteer staff, the parkland, the farmland, and the summer camp that give such wide scope to the program. Teachers appreciative of the opportunity for summer teaching jobs at WLCAC volunteer for after-school teaching projects during the school year. WLCAC's sponsoring unions provide volunteers to help teach a variety of skills at the Project Center. The Institute of Industrial Relations provides leadership-training seminars for union members who take extended leaves of absence to join Watkins's staff. WLCAC also enjoys access to non-union talent; thus, an architect volunteered to help design the vest-pocket parks. While WLCAC, with its influential advisory board, can recruit such volunteer talent throughout Los Angeles, ninety per cent of the staff still comes from the Watts area.

Watkins traces ownership of the many empty lots and utility easements in Watts that become impromptu dumping grounds. He points out the hazards to the owners —private, corporate, and public— and often comes away with a dollar-a-year lease and permission to install parks or garden farms. The Los Angeles Department of Water and Power leased 349,000 square feet of transmission-tower easements to put WLCAC in the urban farming business. "We knew we would have to beautify the area sooner or later, so we let WLCAC do it for us," Lawrence York of the department told me. The department is even donating hundreds of dollars' worth of irrigation pipe and the water that will go through these pipes to nourish the vegetables. "Harvested crops will be sold," Robert Reynolds of the Bureau of Work Programs explained. "But profit-making could jeopardize WLCAC's access to Federal funds. To avoid this, crop proceeds will go into a nonprofit corporation to finance WLCAC activities."

The two-week summer camp was not financed by any one Federal agency. During early 1967, Watkins kept recruiting benefactors until he had the required facilities, food, and counselors. A partially occupied Army training base, Camp Roberts, contained enough disused barracks, kitchens, and recreational facilities to accommodate 2,400 youngsters. The office of Vice President Humphrey, chairman of the President's Council on Youth Opportunity, was persuaded to encourage the Pentagon to approve WLCAC's use of camp facilities. The Teamsters Union provided four trucks to transport 35,000 tons of food donated to WLCAC by farmers and food retailers. The Marine Cooks and Stewards Union provided thirty cooks. Thirty-six Los Angeles public school busses were used to transport the campers. The U.S. Public Health Service set up a camp dispensary.

While the youth program is WLCAC's most publicized activity, Watkins is attempting to mobilize public and private resources in much the same manner to operate adult programs in job training and consumer action. With a Federal anti-poverty grant, Watkins is coordinating a program with two Los Angeles hospitals to train five hundred Watts residents to compete for the 1,200 jobs that the new Watts hospital will provide. A credit union that would offer home-improvement loans has been set up and awaits state approval to begin operations.

The Haunting Potential

It is understandable how Watkins and the WLCAC have made such an impact beyond the boundaries of Watts. To Federal anti-poverty administrators, the youth program, in its two summers of existence, has met such administrative criteria as "changing self-images," "strengthening the sense of community responsibility," and "increasing the holding power of schools." As Reynolds observed, "I think Watkins has a good chance of changing the environment in Watts in five or six years." Watkins's impact on the general public, through newspaper and TV, is also understandable. The summer camp and the garden farm project couldn't be better calculated to appeal to the public's fancy.

But the impact that Watkins and WLCAC make on Watts is not so easy to discern. While noting that Watkins has accomplished a "tremendous amount of good," the Reverend H. Hartford Brookins expresses the caution and skepticism of a veteran civil-rights leader. "A lot of these community-based organizations are springing up. Whether they will just turn out to be overnight operations remains to be seen. Right now, just about any organization in Watts can obtain token gestures of support merely by promising not to be radical or violent."

Some black nationalists in Watts accept Watkins and his work on their own unique rhetorical terms. Tommy Jacquette of the Self-Leadership for All Nationalities Today (SLANT), appearing on a television panel show with Watkins, described him as "destroying in a peaceful manner." To other young Negro militants, Watkins's programs are a phony gateway to white middle-class status; they predict that he will fail.

PRESENT CONDITIONS in Watts may even reinforce such predictions. High unemployment, welfare dependency, and inadequate schooling remain relatively unchanged since 1965, according to a recent Los Angeles *Times* survey. Watkins thus operates in an environment still potentially explosive, and this potential haunts the efforts of WLCAC. Even the vest-pocket parks are not immune from the consequences. Amid the swings and the sandboxes, one can see white picket fences broken and water fountains smashed.

Crediting any one man with the responsibility for defusing such a charged environment is a risky exercise. Yet Watkins has shown how a community beset by poverty and alienation can be organized to conduct ambitious programs in social improvement. In mobilizing resources to support these programs, he has become a virtual impresario.

"We don't want to be in anybody's 'bag' but our own" is Watkins's response to suggestions that WLCAC join in political and protest movements. Watkins is careful to grant this attitude to other organizations as well. WLCAC's advisory board is now seeking to set up a similar committee to serve a Mexican-American community in East Los Angeles. Watkins was invited to help advise and guide these people in forming the new committee. In declining, Watkins said, "It's up to the people there themselves."

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The Good Life Is No Fun

SAREL EIMERL

I HAVE recently been reading a biography of Conan Doyle written by a French admirer, Pierre Nordon. It should, in theory, have been fascinating, for Doyle, one might think, must have been a fascinating man. In addition to creating Holmes, he wrote histories of the Boer and First World Wars, and at least two historical novels of high quality. He was an ardent and energetic social reformer. He was an impassioned advocate of spiritualism. He must also have been one of the last of the romantics in matters of sexual behavior. After his first wife was afflicted by tuberculosis, he fell in love with another woman, Jean Leckie, but, having been brought up on Froissart and medieval notions of chivalry, he considered that he had a duty to remain faithful to his wife. "To have fallen prey to temptation," as Nordon puts it, "would have destroyed the mystical basis of his passion; it would have signalled total failure in his own eyes; it would have transformed his life into a sordid adventure." So for nine years, until his wife died and he could marry Miss Leckie, Doyle followed Froissart (or Nordon's idea of Froissart) and held his passions in check.

Like everything else he did, this remarkable exhibition of chivalry is greatly to Doyle's credit, and the world would be a far better place if it contained several million more people like him—talented, energetic, public-spirited, honest, and, above all, well balanced. Nonetheless the story of his life makes sadly tedious reading, and I mention it only because it set me to brooding over the whole question of which elements in the human character are likely to produce the most interesting biographies.

THOSE OF US who read biography for pleasure, while prepared to absorb some information if it can be inflicted painlessly, want most to be entertained. Our real objective, it seems to me, is high-level gossip, and none too high-level at that.

And what kind of people are most fun to gossip about? Let me begin by comparing the biography of Doyle with two of my favorite biographies of writers: Rupert Hart-Davis' *Hugh Walpole* and Reginald Pound's *Arnold Bennett*. Neither Walpole nor Bennett led particularly dramatic lives. They read, they worked, they spent time with friends, and that was about it. If they were involved in any outrageous or scurrilous love affairs, their biographers have kept the secret. It is the subjects' quirks of character that make their biographies so intriguing.

Walpole, who from the outside must have appeared a rather simple-minded extrovert, was actually a mass of paradoxes. He was enchanted with his success but always unsure whether what he wrote really amounted to much. He was gregarious, popular, even loved, but he was also extremely lonely, and consumed by a schoolboyish longing for the perfect friend—a truly Platonic personage. The intensity of this curious obsession was revealed in his lifelong habit of keeping up-to-date lists of his friends in order of closeness. Like many writers, he retained all his life the personality and emotions of a nervous adolescent.

Bennett was made of sterner stuff. He seems to have vaulted from childhood straight into middle age. His sense of the practical appeared vividly early in life, when he was living in Paris and suggested to Somerset Maugham that they could satisfy their sexual needs at cut rates by maintaining a mistress jointly. He approached writing with the same hard practicality, assisted by a phenomenally strong will. He once tried to figure out what makes a page of prose readable by counting up and comparing the number of verbs, nouns, and adjectives. He wrote *The Old Wives' Tale* in less than eleven months by getting up at six so that he could work on it till twelve, keeping the afternoons free for writing commercial pieces. He used to gloat, like a miser, over the number of hundreds of thousands of words he had written per year. And he kept on writing and writing, even when in agony from neuralgia, insomnia, and general malaise. His work, subdued first into a habit, finally became a narcotic until he could write in his journal of going to his desk as an alcoholic goes to his bottle.

It seems clear to me that both Walpole and Bennett were, compared to Doyle, men of shaky emotional balance. They seem comparatively steady, however, when set against Hemingway and Fitzgerald, the two men whose lives have commanded vastly more popular interest in the past fifty years than those of any other artists. Only a fraction of this interest can be attributed to their work. The real explanation lies in their personalities: in the Hemingway who was such a mixture of sensitive artist, physical adventurer, and exhibitionist; and in the Fitzgerald of the Arthur Mizener and Andrew Turnbull biographies, the doomed romantic hero—and exhibitionist.

IT MIGHT BE SAID that there is nothing particularly adventurous about shooting helpless animals or romantic about getting drunk every night and making a pig of oneself. Anyone with the inclination and money to arrange a safari or support

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himself in gin can achieve these results. What makes the lives of Hemingway and Fitzgerald such absorbing reading, I suggest, is neither their great talents nor their activities but the fact that these were mingled with an unusual degree of emotional disturbance.

With Doyle, Walpole, Bennett, Hemingway, and Fitzgerald you get a very clear correlation between a degree of emotional disturbance on the one hand and interesting material for biography on the other. I believe that what is true of these five can be extended into a general rule. Presumably this is because the unbalanced tend to be blessed or cursed with exceptional powers of fantasy, and also by an acute need to try to make their lives conform to their fantasies. Inevitably they fail. Fantasy is always fantasy. Yet there is an element of realism involved also, since the fantasizing, and the fantastic consequences it often provokes, did exist.

The result can be a unique and very satisfying art form. For the biographies of such people come close to reproducing in a single work what have been the two principal types of fiction. In his essay *An Experiment in Criticism*, C. S. Lewis neatly characterized these types as belonging either to the family of *Oedipus* or to that of *Middlemarch*. Up until the nineteenth century, the great mass of fiction belonged to the first category. There then developed a taste for realistic fiction that grew and grew until it finally landed us in our present ghastly mess in which novelists and playwrights seem to feel that their work is done when they have produced some tiresome reproduction of the commonplace occasionally peddled under the flimsy disguise of absurdity. The old taste for the exciting, the exceptional, the fantastic, still lives on, however. And I suggest that biography has come to be so popular because it can satisfy this taste at the same time—since it describes actual events—that it satisfies the desire for realism.

But what kind of unbalanced people make the best subjects? Writers may seem to have a convincing claim since, with occasional exceptions such as Doyle, they are, *ipso facto*, unbalanced. If they were completely sane, they would feel more at home in the world, and would not make a profession out of creating worlds of fantasy. Nor would they choose a profession that offers an almost unique combination of drudgery, loneliness, insecurity, and low pay. However, after reading numerous biographies of writers, and knowing several, I have concluded that the great majority tend to be timid, shrinking creatures who reserve their neurotic outbursts either for their books or for the company of very close relatives or friends.

THERE IS a second group of subjects who provide much more open and lively drama. They are the people who have earned the right to have their biographies written because of the nature of their personalities. And I cite as the perfect example Madame de Staël, the heroine of Christopher Herold's *Mistress to an Age*, one of the most glittering entertainments I have ever read. It is true, certainly, that Madame de Staël wrote books. But her real occupation was that of mistress and tyrant, and her life superbly satisfies the demands both for the real—because she existed—and for the exceptional, because she created such an extraordinary amount of chaos among so many people. Although she was not physically beautiful, her force of character, her eloquence, and her wit enabled her to rack up a prime collection of lovers. She started with Talleyrand, whom she later tried to vilify by portraying him as a woman in her novel *Delphine*. "I understand," said Talleyrand, "that Madame de Staël has disguised both herself and me as women."

Madame de Staël did not exactly overreach herself by starting off with Talleyrand, with Narbonne, the Minister of War, and with the aristocratic young revolutionary Mathieu de Montmorency-Laval, who just happened to be the son of Madame de Staël's immediate predecessor as Narbonne's mistress. It would be truer to say that she had not yet settled into her stride. Most women of her type end up hooked to men as unbalanced as themselves, because both operate at the same and mutually sympathetic level of mania, and Madame de Staël found the perfect sparring partner in Benjamin Constant, who was as brilliant, egomaniacal, and hysterical as she. "Among other things," runs one characteristic entry in his diary, "I got married in order to sleep a lot with my wife (not Madame de Staël) and in order to go to bed early. I almost never sleep with her and we stay up until four in the morning."

According to Herold, Constant was "enslaved to Madame de Staël even while carrying on the most paroxysmal affairs with others and [she] was to threaten him with suicide if he left her at the same time as she was threatening other men with suicide if they did not join her." It all makes marvelous material both for drama and for comedy, and I cannot resist quoting what may be my favorite line since the world began: Constant discovered, to his intense fury, that Madame de Staël was having an affair with a guardsman far younger than himself, and a stupid young guardsman at that. He complained to a friend that the man had no conversation. Perhaps, the friend suggested, "speech is not his language."

MOST PEOPLE, I believe, will grant that reading about such goings-on provides a most agreeable change from one's everyday routine. But surely, you might think, it would be much more fun actually to know such individuals rather than to read about them. Imagine, then, that a beautiful, brilliant, and unbalanced woman, rather along the lines of Madame de Staël, happens to move in next door. She sees herself as the heroine of a perpetually raging melodrama. As real life cannot possibly live up to her vision of it, she invents a running fantasy, inhabited by real people she has transformed

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THE REPORTER

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into heroes and villains, prominent among them a dream lover.

But unfortunately, reality keeps breaking in, and even her imagination cannot blot out the awareness that the secondary players are not behaving as her fantasies require. The dream lover is particularly disappointing. He should be adoring and obedient, but in practice, being as egomaniacal, as inconsiderate, and as violent a troublemaker as she (why else would she have picked on him?), he has the gall to rebel against her demands. She begs, she pleads, she threatens, she ascends into fits of wild rage. Finally her lover treats her with brutal contempt at a fashionable party. The beautiful lady determines to make him pay for it, if only in remorse. So she slashes herself with a piece of broken glass, and is carried out, kicking, screaming, and bleeding like a stuck pig.

There is no doubt that such people make very lively company. They possess a genius for generating excitement and drama, and they provide rich lodes of gossip. But they are also extremely demanding and, after a while, a great nuisance. Suppose you are the host at the party where the woman slashes herself. The blood will stain your carpet. You may get entangled in tiresome explanations with the police, and, people being as easily rattled as they are, the scene is almost certain to cast some kind of pall on your party. Even the pleasure of talking it all over next day on the phone will not make up for the inconvenience.

This is not, obviously, an admirable attitude to adopt. It might seem at best unpleasantly flippant, at worst downright inhuman. However, my experience has been that this is the way the great majority of people do react to outbursts of emotional disorder. Unless the sufferer is very close to them, most people grow weary of melodrama in their sitting rooms. On balance it is much more pleasant to enjoy the story in print but avoid the trauma in real life: for example, by following the history of Caroline Lamb's crazed infatuation with Byron in Lord David Cecil's elegant biography of Melbourne.

But the book proves something else as well. Presumably Cecil would not have written it if his subject had not been an important political figure, and most of the biography deals with Melbourne's political career. Yet though Caroline dominates only about fifty out of four hundred pages, her shadow hovers over the book long after she has physically disappeared. For Melbourne was cool, urbane, and rational, and following Caroline's violent tantrums with his political opinions and maneuvers is like following *Wuthering Heights* with *Phineas Finn*.

THE LACK of drama in the story of Melbourne's political life is characteristic of books about public figures—the third principal group of subjects of biographies. I have often puzzled over the curiously prophylactic atmosphere that seems to enshroud their lives. Presumably politicians and generals do experience personal emotions. Some, at least during their youth, must get involved in calamitous love affairs and make idiots of themselves. But one would never guess it from the biographies. For whatever reason, the great mass of biographies of public figures give the impression that the subjects existed only during office hours. Only the winning of elections or battles, the maneuvering of bills through Congress, or the setting up of administrative agencies seems to inspire them with enough passion to justify comment. As soon as the working day ends, they are switched off and put away until they can start up again at seven sharp on the following morning.

These biographies read very much like collections of newspaper clippings. But I often feel that even if a biographer were able and willing to portray the whole man, it would add very little to the interest of the narrative. This is particularly true of those distinguished personages who have been leaders of the democracies during the past couple of hundred years. When monarchs and generals were born to the office, some extremely odd characters got to sit on thrones and lead armies. H. F. M. Prescott's *Mary Tudor* is one of the raciest biographies I have read, not only because Mary's drive to reestablish Catholicism in England, chopping off her opponents' heads as she went along, makes a thrilling story, but also because she herself was obviously a woman obsessed. No such ill-balanced character would be elected to office in a modern democracy. For the one thing people want above all else from their leaders is for them to keep the country out of trouble. If we seldom get such leaders, the failure is usually due rather to lack of imagination than to insanity, and the fact that most of our public men are hard-working, conscientious, and competent only makes their biographies all the duller, because to make the admirable interesting is one of the most difficult tasks a biographer, like a novelist, can set himself.

Possible exceptions do come to mind. It might be argued that the lives of Lincoln or Churchill or Disraeli were not only dramas but melodramas. But I wonder. Apart from the drama created by the political and military circumstances of his presidency, the biographies of Lincoln that I've read have struck me as rather dull. Churchill's life became the stuff of drama only when he was sixty-five, again because of an extraordinary collection of circumstances. And in his case, too, apart from the epic tale of his courage in 1940 and a few delightful anecdotes thereafter, it was the circumstances of his time rather than his own personality that have lent the books about him such interest as they possess. The life of Disraeli, personally the most intriguing of the three, demonstrates most vividly how unlikely it is that the leader of a democracy should also be the kind of man who is exciting to read about. The story of his life is most gripping when it covers the period from his early twenties to his early forties, when he was more artist than politician. Once he had won control of his party, he promptly and deliberately set about making himself seem as dull as everyone else on the front benches; and he succeeded admirably.

AMONG public figures, it is only the despots who provide the thrills, and especially those despots who lived in periods of revolution or civil war, and who, moreover, wielded so much power that their lives take on the quality of epic. Yet even among the very few who satisfy

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these conditions, the rule I have been maintaining seems to apply: only the unbalanced provide sustained drama. Julius Caesar and Napoleon exercised enormous power, and it must be said that the very enormity of their ambitions indicated a strong strain of insanity. However, given their ambitions, their behavior was, on the whole, rational; their personal relationships with both men and women were no more remarkable than is common among people of domineering temper, and neither has been the subject of particularly gripping biographies.

Compare to them the really pathological cases; Robespierre, for example, or Hitler or Stalin, who are as fascinating to read about as they were evil. In each case, their stories grow steadily more fascinating as they, the subjects, become more manic. Robespierre's maneuverings for power make interesting reading, but the real drama explodes only when that power begins to make him openly unbalanced, leading him on from the murder of Danton and of Desmoulins, once his closest friend, to the attempt to kill off, on the charge of having betrayed the revolution, the very men who had helped him organize the Terror. The drama in Alan Bullock's *Hitler* also grows in intensity as Hitler becomes more powerful and more unbalanced, progressing from the murder of Röhm, through the framing of von Fritsch on the phony charge of homosexuality, to the incredible story of the revenge that followed the 1944 plot. And in Robert Payne's biography of Stalin, the drama becomes most intense when the despot begins, apparently by whim, to order the execution of tens of thousands of men and women who were not even involved in politics. Payne's explanation is that he ordered them as the rest of us might turn on the television set—because he was bored. It may not be correct. But then again, maybe it is. For this is the kind of question that biographies of the neurotic, the unbalanced, the insane continually provoke. Why did they do this? How could they possibly have done that? What on earth will they do next? Such questions never crossed my mind when I was reading about Conan Doyle.

Have You Read Any Good Novels Lately?

GERALD WEALES

When Bruce Jay Friedman's *Scuba Duba* opened off-Broadway, Richard Gilman, one of the critics on the faculty of the Yale School of Drama, wrote a very good if overlong review in the *New Republic*, cataloguing the vulgarities of the script. Two months later, Joseph Heller's *We Bombed in New Haven*, a play just as gross in its more solemn way, opened at the Yale Repertory Theatre, proving, I suppose, that one man's poison is another man's meat. The Friedman play is an established off-Broadway hit, and the Heller play stirred up such a demand for tickets that an extra week of performances was added to its limited run. What this seems to mean is that there is a ready audience for theatrical obviousness, if it is dressed fashionably enough. The chief dressing in each of these cases is that the playwright —particularly Joseph Heller, whose *Catch-22* has replaced the Tolkien trilogy, *Lord of the Flies*, and *The Catcher in the Rye* as self-assigned required reading for college and high-school students—brings to the theatre a pre-sold audience formed by his work as a novelist. Loyal fans —a club to which I do not belong —will be disappointed with neither play, for each bears a close family resemblance to its author's fiction.

The hero of *Scuba Duba*, an advertising man named Harold Wonder, is one of the boy-men familiar to Friedman's readers. Inept in most situations, he is a natural dependent (he keeps phoning his mother and a psychiatrist friend) who takes comfort in rhetoric, in abuse, in fantasy. When we meet him—isolated in a chateau in the south of France, far from the comfort of Queens—he imagines he has lost his wife to a Negro scuba diver. At the end of the play, he discovers that she has been carried off by a poetry-writing Negro in a good tweed jacket who, despite a psychosomatic cough, is too much a man for Harold to oppose, and not by the scuba diver, whose disguise suggests that he might have been boy enough for Harold to have had a chance. Friedman presumably intends a little pathos in the last glimpse of Harold as the stage darkens around him, still shouting his little-boy defiance after the departed wife. Although Jerry Orbach, a generally persuasive Harold, tries for that effect, too much in the play is working against any attempt to modulate the hero from caricature to character.

In his first novel, *Stern*, Friedman placed a Harold-like character at the center of a very funny, occasionally frightening comedy that was effective because the hero's ambivalence toward himself, as a Jew and as a man, came through the laughter as a painful truth. By the time Friedman came to his second novel, *A Mother's Kisses*, all that was best in his first book—his sense of the comic distance between a man and his desired image of himself—had become a joke and an excuse for extraneous gags. All that *Scuba Duba* adds is a chance to let those jokes walk the stage. The plot, Harold's attempt to get through the night, is only an excuse to introduce a number of comic turns—an American tourist, a Cockney nymphomaniac, a French landlady—most of them irrelevant to the play's presumed subject. They are used to elicit easy if slightly embarrassed laughter which assures the audience that it is sophisticated enough to go beyond the conventional liberal responses to sexual, national, and racial labels. The play calls a spade a spade, but as a joke. There are genuinely funny lines in *Scuba Duba*, but on the whole it is the dramatic equivalent of an *Esquire* cover—a wink at substance, a nod toward wit, and a wholehearted embrace of tastelessness.

Unless Friedman's play be taken as a satirical look at the infantile violence and fear lurking just beneath adult understanding and as-

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surance, as it can be if one ignores the way it works on an audience, it is clearly less serious in intention than *We Bombed in New Haven*. Although Heller told a New York *Times* interviewer that his play "is a drama with a tragic ending," it is essentially a pacifist fantasy—like his famous novel—which uses the broadest farce to demonstrate the ludicrousness of war and pathos to suggest its horror. I do not remember that the novel goes in for the open sentimentality that the play does, but there is a potential softness—always kept at a distance—about some of the fooling in *Catch-22* that should be preparation for the second act of *Bombed*.

THE MOST interesting thing about *Bombed* is its attempt to use the fact of dramatic production as a propaganda mechanism. The action of the play is supposed to exist at two levels of reality at once. The audience is constantly reminded that it is in a theatre; that the actors—who use their names and talk about their real credits—are putting on a play about a bombing squadron operating out of New Haven (hence the cute title), in a perennial war that has become a businesslike destruction of targets—Minnesota, for instance, which is scheduled for a strike in the second act. At the same time, we are asked to believe that the war is real, that the actor Richard Jordan and the character Corporal Sinclair are one, and that the death of Sinclair over Constantinople is the death of Jordan. The point of all this is that the audience and Captain Starkey, the character who most represents them for Heller, and Stacy Keach, the actor who plays Starkey, are all responsible for the war because they do their jobs unquestioningly and take comfort in the fact that the war is not real, is only something that happens in the theatre or in the pages of a newspaper. When, in the last act, Ron Leibman tries to escape his role as Sergeant Henderson, because Henderson is scheduled to die in the take-off, and is killed on stage, Starkey-Keach, with Henderson-Leibman's blood down the front of his flight jacket, still retreats from the truth, escapes into his job and his role. Although Heller's point is a tenable one—that individual responsibility can be ignored but not escaped—his ingenuity is finally self-defeating. There at curtain call are Jordan and Leibman, alive as you and me, and we are thrown back on the comfortable reminder that the play has been designed to bypass—that it is, after all, only a play.

NOT THAT we were ever in doubt. What I have been describing is an idealized *We Bombed in New Haven*. For one thing, Leibman, who is relaxed only when he plays comedy, was so stagily distressed in the second act that any ambiguity about his reality died long before he did. Since, for the most part, the play was well directed and well acted (I recommend a young man named Donald K. Warfield to producers or resident companies looking for an actor who can play a stock juvenile as though he were human), the blame for what went wrong in New Haven lies with the author. If I wanted to be excessively subtle about the whole thing, I could suggest that the obviousness of the material Heller puts on stage is evidence of his artistic canniness, an attempt to make some kind of distinction between his anti-war play and the standard variety. In fact, I assume that he thinks Act I is funny and Act II is moving, but, unless one comes to the theatre convinced that Heller is always funny and anti-war sentiments inevitably moving, it is difficult to agree with him.

The first act is full of close-order drill and soldier horseplay jokes, running gags such as how can we bomb Constantinople off the map since, now that it's Istanbul, it isn't on the map, and yocks about how bad the Red Cross girl's coffee is. Estelle Parsons, a front runner for an Academy Award for her performance in *Bonnie and Clyde*, is forced to be dumb-blonde cute through most of the play, delivering pointless lines in her own name as well as that of the character. One example should take care of *Bombed* as a comedy. Miss Parsons comes on stage complaining that she never gets any funny lines, not even sure-fire swear words, then stops, strikes a pose, and says, in the voice of a Broadway comedy ingenue, "Son of a bitch." Enter Keach, asking what's she complaining about and pointing out how the audience laughed. The audience, to give it credit, was stone silent the afternoon I was there.

The serious Act II is in its way as trying as the Act I. Although wars are horrible and it is the young who are destroyed by them, it is almost impossible to put that fact on stage. Instead, there is a vocabulary of pacifist playwriting, as artificially sentimental as that of other forms of popular melodrama, which succeeds only in jerking tears, in indulging the audience that it wants to make indignant. "You had nineteen years, Pop," says the Captain's son at the end of the last act, blaming him for not having stopped the war, and on lines like that *We Bombed in New Haven* becomes the kind of anti-war play it has been pretending not to be.

Lake in Winter

You are a country pond now,
Simple water,
The swimmers gone,
The turbulence of skiers
Something recovered from
As from a fever.
Summer people,
Having had their day,
Left gifts of wholeness
When they went away.

You are as winter-thrifty
As that farm
Your waters covered over,
Modest with mudhens
And five wandering cows
That come—who knows?—
Back from that ghostly barn.
You stack the lofts of sky
With bales of space,
And harbor sun-pulled geese
With patient grace,

While I, both country girl
Who knew a pond,
And summer person
Searching out of season,
Lean to your doubled clouds
And far beyond.

—HELEN SORRELLS

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THE REPORTER Puzzle

Acrostickler® No. 184

by HENRY ALLEN

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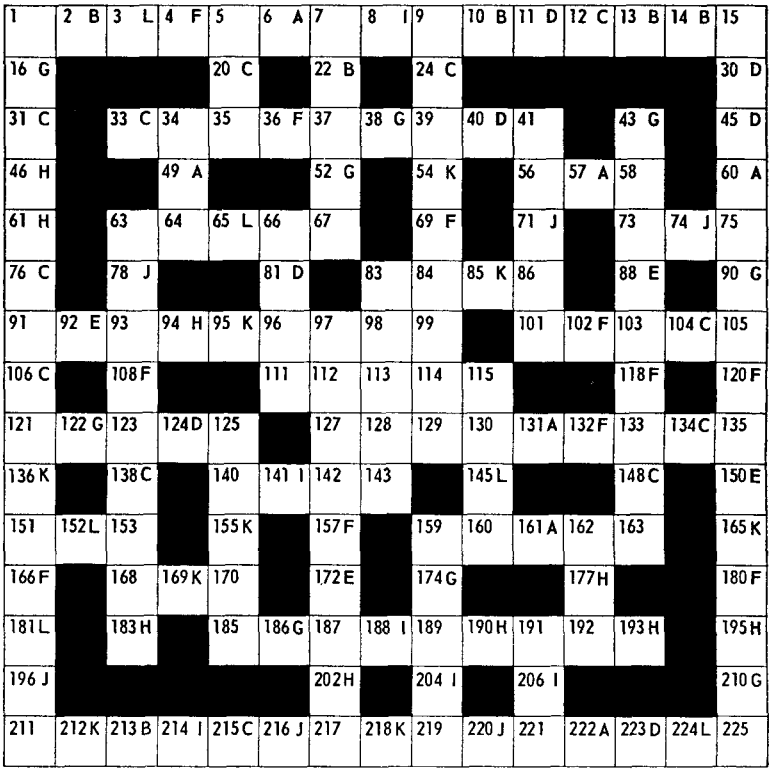
DIRECTIONS

1) Each crossword definition contains two clues. One is a conventional synonym; the other a pun, anagram, or play on words.
2) Letters from the acrostic should be transferred to the corresponding squares in the crossword, and vice versa.
3) The initial letters of the correct words in the acrostic will, when read down, spell out the name of a prominent person: the Acrostician.



A 131 6 49 161 222 60 57 Pertaining to a people of ancient Asia Minor.

B 13 22 2 14 10 213 Region of northwest Asia Minor associated with the winds.

C 24 106 76 12 33 134 148 104 215 31 138 20 Former Belgian trust territory in central Africa (6-6).

D 40 11 124 223 45 81 30 "Some say that...the spirit of _____ is dead." Kingsley's "Life."

E 88 150 172 92 A shade of blue.

F 4 36 69 166 120 157 102 118 180 108 132 Weapon successfully employed by labor (3-2, 6).

G 38 16 210 174 90 43 52 122 186 A carved post sometimes erected by Indians of the Pacific Northwest (5,4).

H 61 190 46 177 202 183 195 94 193 Declined or moved backward.

I 8 188 204 214 141 206 Having no like nor equal.

J 74 216 196 78 220 71 One who lived under an advanced prehistoric Cretan culture.

K 54 212 169 85 95 165 136 155 218 Vehicle for travel since World War I.

L 3 181 152 224 145 65 Double expletive of warning or admonition.

ACROSS

1. Favorite and much-publicized forms of exercise used by the Acrostician.
33. Digs up what the god of the underworld buries.
56. Shakespeare has Hamlet describe "This brave _____ hanging firmament," refining what comes from the mine.
63. A sovereign state created by energy.
73. Aim at your boy friend if he's French.
83. The target of new Fresh Air legislation in this Mogul's opinion.
91. A means of rapid communication and its instrument.
101. A measure of trees.
111. These kilns may be useful in a proven situation.
121. There's a 'l of difference between this Andean beast and Tibetan priest.
127. What Mrs. Sprat had to do for a fee at that (3,3,3).
140. Call her an obsolete young lady and drub her back.
151. The pair in the hand that won.
159. Lethal because of a flat.
168. He is with this three in Rome.
185. Came in again with the confused deer at last.
211. Sans ideals, equip long words.

DOWN

1. Felicitations can be not tracing a soul.
5. There's no aspirate in this contraction.
7. Male voice in the late Norman choir.
9. Regimen of therapy for ten who matter.
15. Those influenced more by emotion than reason; critics say Americans are.
34. Admiral who won at the Yalu in a fit of patriotism.
41. Lyrics meant for musical sounds.
43. Devout player in fur.
63. A cloth pattern made up of a popular dance and spots (5,4).
66. A high-low discard in bridge may cause a reverberation.
83. A famous golfer uses the shaft of an old scythe.
97. Lee proves that he may slumber too long.
115. Oats were raised on this porch.
125. Father is light and Al Capp's hero.
159. Ill-smelling in a café tidied up.
162. Common copula in a new era.
191. Abbreviation relating to religion.

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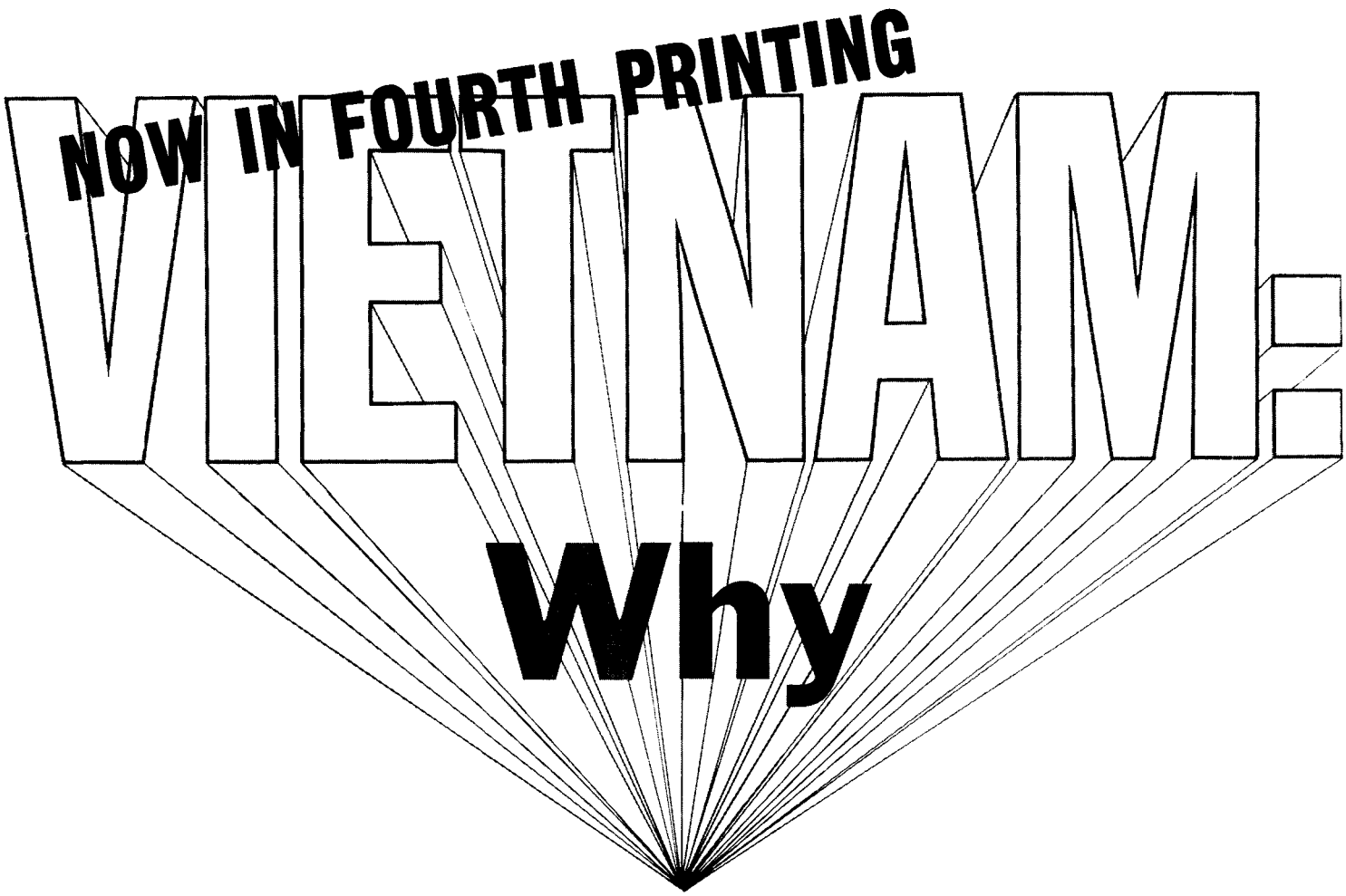

With the first three printings of *Vietnam: Why* sold out, and orders for the book still coming in at a fast rate, The Reporter has gone back on press to print a fourth edition.

Vietnam: Why has proved, evidently, most useful to those who want to have an understanding of the situation in that country—as it affects the United States, Southeast Asia, indeed, the world. Such an understanding *is essential to all responsible Americans.*

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BOOKS

The Probable and the Possible

ANNE FREMANTLE

THE NICE AND THE GOOD, by Iris Murdoch. *Viking. $5.75.*

Not perhaps since Thomas Love Peacock wrote *Nightmare Abbey* and Disraeli wrote *Coningsby* has there been quite such an Establishment novel as *The Nice and the Good.* It will probably be read forever by anyone who wants to know what England was like in the upper reaches of the middle classes in the 1960's, just as Aldous Huxley's *Point Counter Point* is still read by all who are interested in the same milieu in the late twenties of this century. And dreaming Oxford, that home of lost causes, that suburb of Cowley, in both cases housed the authors: Huxley at the time he wrote was practically an inmate of Garsington, where Lady Ottoline Morrell presided over the best and brightest of British literati, and Miss Murdoch, formerly herself a philosophy don at Oxford, is married to a New College don. She dedicates her novel to Lord and Lady David Cecil, both of them born and bred in Establishment brier patches—he in the political, she in the literary.

Nor is this long novel only a credible, informative, *véridique et vraisemblable* account of the goings-on of government employees in the higher echelons of the civil service, and of their female appurtenances. It is also continuously exciting, at the Rex Stout level, for the events that occur, as well as for the "slow movement sideways," as E. M. Forster called it, of growth and decay within the characters presented. Of these there are a plethora, seventeen on stage, plus dead husbands and discarded lovers who continue, through causality, to affect the actions and emotions of those they love-hated and by whom they were loved and/or hated.

When the venue is London, the characters revolve around round Octavian ("You are so round," his wife tells him in bed), head of a government department. In Dorset, they circle around his wife, Kate, whose "bright round face" beams at all and sundry from "out of the golden fuzz of her hair. . . . Kate, herself undefined, was a definer of others. . . . Kate spoke with a slight stammer and a slight Irish accent." (N.B. Miss Murdoch herself was born in Dublin of Anglo-Irish parents.) Octavian and Kate are happily married: "We were both breast-fed babies with happy childhoods," Kate muses, and, in addition to their wealth and their rotundity, they share "the deep superiority of the socially secure."

INTO their well-ordered lives one hot summer afternoon rings a shot: Octavian, surprised by it in his office, learns that Radeechy, on the floor below, has committed suicide. The press, to whom McGrath, the office messenger, sells the story, hints at a security angle. Octavian, ordered by the PM (Prime Minister to you and me) to institute an inquiry, calls in his great friend John Ducane, legal adviser to his department. Ducane is the hero of this novel, but the results of his search, immensely revealing though they are, do not involve national but rather individual security. Indeed, only four of the seventeen *personae* emerged unscathed from Ducane's investigations. These are the nine-year-old twins, Edward and Henrietta, who live with their divorced schoolteacher mother, Paula, in Kate and Octavian's country house, Trescombe; Willy Kost, who has survived Dachau and lives in a cottage on the Trescombe estate; and Mary, a widow whose fifteen-year-old son Pierce, in calf love with fourteen-year-old Barbara, the only child of Kate and Octavian, endangers Ducane's life by his own attempted suicide. At the end of the novel, Mary marries Ducane, and the general copulations indulged

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Acrostician—

ALEXEI KOSYGIN

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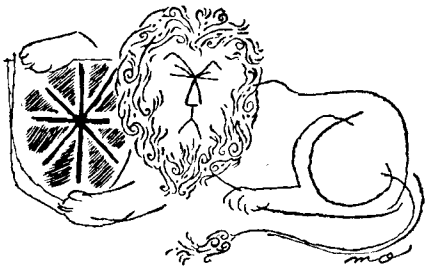
in by all clutter the stage with recumbent bodies much as the contingent deaths clutter the stage with corpses in Shakespeare's tragedies.

Everything works out tidily, like a neat quotation, and the dozen nice characters, who are not good, discover, to their own discomfort, that ultimate evil is never external but is self-created, self-secreted, and that we are all, in truth, octopuses, hiding in, or hidden by, our own ink.

MISS MURDOCH conducts her reader through all seventeen of her characters much as the visitor to museum or art gallery is conducted when he invests in the recorded earphone guide. Indeed, in spite of some three fourths of the novel being in dialogue, only the very young are revealed through it. Concerning all the adults, there is an immense amount of editorializing. Each appears with a *curriculum vitae* attached. Everything about them is given, whereas in real life, knowledge of others is acquired by a *pointilliste* process. This effect is imitated in literature by such writers as Joyce, Proust, and Faulkner. It is eschewed by Miss Murdoch, who tags her people like objects in an auction.

For example: "Mary Clothier and her son Pierce had lived for nearly four years now at Trescombe house. Mary's father, a sickly defeated man, had been a junior clerk. . . ." He and Mary's "vague gentle mother" had died together of double pneumonia. Foxy-faced Paula, divorced from Richard Biranne, a colleague of Octavian's, was "a sort of unconscious prig" who "cared very much about what might be called 'moral style.'" Kate's "golden life-giving egoism," her eternal and unreflective happiness, gave Mary courage, while Paula's coolness provided Mary with the energy to see the situation as it was. Jessica, Ducane's streaky-blond ex-mistress, was "twenty-eight and looked eighteen." She won't let him go, and her letters and screams, her jealous maunderings and meanderings, are given *in toto*. Ducane happily lets Kate kiss him in a beech wood "with a slow and lingering motion," which is possible; but that he left both ladies' correspondence lying around for the blackmailing McGrath to photocopy, while also leaving his back door open for McGrath's luscious wife Judy to slip naked into his bed, is hardly probable. Heads of department are well aware that what is written remains, and that doors and safes are better locked. Ducane's distinct impulse to lay his hand on his new chauffeur's shoulder is also possible; but is it probable that he should, a little later, when turning into Bina Gardens, have been brought "intense and immediate comfort" by curving his fingers gently "without gripping, over the bone" of Fivey's



shoulder? Ducane ends up saved and hetero, since "he simply wanted to lead a clean simple life and be a good man," but the scene where he and Mary fall in love with each other at exactly the same moment is perhaps most improbable of all.

DUCANE exemplifies the mystery of the empty hands. Regarded as marvelous by everyone at Trescombe —"You are father confessor to all of us," Willy Kost tells him, "our picture of the just man"—he can counsel, and when necessary command, but his own life is a sad muddle, and he comes to see himself, even when virtuously resisting Judy, as a whited sepulchre. In him, one of the great paradoxes of morality is thus evidenced. "In order to become good it may be necessary to imagine oneself good, yet such imagining may also be the very thing which renders improvement impossible, either because of surreptitious complacency or because of some deeper blasphemous infection which is set up when goodness is thought about the wrong way."

Only after Ducane has been down to the hell that is the office cellar where Radeechy said his Black Masses and is terrified that McGrath may murder him among the decomposing pigeons there does Ducane realize that "The great evil, the dreadful evil, that which made war and slavery and all man's inhumanity to man lay in the cool self-justifying ruthless selfishness of quite ordinary people." Now he is ready for the greater ordeal of the descent into water, when he faces, for Pierce's sake, almost certain death by drowning in Gunnar's cave. Here he resolves "I will be no man's judge," and learns that "To love and to reconcile and to forgive, only this matters. All power is sin and all law is frailty. Love is the only justice." Now he is also ready to be redeemed by Mary, the Mother Goddess whom he needs as "the consoling counterpart of his self-abasement."

To Mary's Demeter, Paula is a prissy Athena and Kate a priggishly promiscuous Venus. Kate's pre-coital chats with Octavian—no less than three times he asks her, "Ready, darling?," and she replies "ready"—are possible but improbable: one is reminded of the story of young Queen Victoria discovering her mother *flagrante delicto* with a lover and remarking, "Such middle-aged ardours leave me cold." Kate, boasting of her flirtation with Ducane to Octavian in bed, is just possible; boasting of seducing Fivey while she gives her husband the Cleopatra grip and he begs her "Don't let go," whereupon she gently chides him for being a disgraceful old hedonist, is improbable.

Amor vincit omnia, the book's jacket reminds us, but the reader may be moved to agree with Octavian's pansy brother Theo that "they're all of them sex maniacs and they don't even know it." Octavian gets erotic satisfaction out of seeing his wife flirt with others, while dallying with the inevitable secretary, and everyone is perpetually pawing someone else. Judy, with "docile tucked-in white breasts," presses her tongue into Ducane's mouth; Mary, admiring her own breasts "pressing together like twin birds," caresses Willy's thin Jewish nose with her fingertips; Barbara caresses Willy's hair and strokes his knees; Ducane, forcing the truth out of Biranne, feels a need to touch him; Biranne, before rushing home, reconciled, with his wife to lay her, has to paw the Bronzino in the

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National Gallery; Pierce, on top of Barbara and feeling "like a great contented stone" after enjoying her maidenhead, asks her please to put her hand back again; even Uncle Theo, moved by the death of his Buddhist abbot in India, paws the cook.

It is necessary to accept such behavior as possible. But queries still arise: Would Kate and Octavian rush off to Tangier for a holiday in *June?* or to Petra in *July?* Why would Richard call Octavian by his first name and Octavian call Biranne by his second, except when grilling him? More serious is the fact that, in spite of the admirable organization, in spite of all the symbols put in like thimbles and sixpences into a Christmas pudding (on which the unwary reader may well break a tooth), in spite of the intensity—and this novel surely packs a wallop—Miss Murdoch does not make it clear whether she intended her book as a parable, as a realistic pop art series of happenings, or as a Graham Greene-type whodunit. But whatever her intention, the result, though not always credible, is immensely readable.

Days of Wine and Legends

JAY JACOBS

THE ART OF W. C. FIELDS, by William K. Everson. *Bobbs-Merrill. $7.50.*

THE TIME OF LAUGHTER, by Corey Ford. *Little, Brown. $5.95.*

It was typical of W. C. Fields that he would invent the subliminal commercial and brilliantly redesign the non sequitur in order to subvert enterprises that were paying him handsomely. Fields's frequent references to a mythical son Chester wouldn't have seemed particularly funny had he not thought of making some of them on a radio show sponsored by Lucky Strike. Nor would there have been anything particularly funny about his instructing his butler to tell an unwanted visitor "to go **** himself," had the visitor not been his employer, L. B. Mayer, and had Fields not prefaced his message by drawling, "Give him an evasive answer."

Fields was a very funny fellow indeed, and the authors of the two works at hand seem almost to be vying with each other to tell us just how funny he was. "Divorced from all his sight gags, props and routines," William K. Everson writes, "Fields was quite probably the funniest single individual America has ever produced." As sweeping as this statement may be, Corey Ford's evaluation of Fields is even less qualified. To Ford, Fields is simply "the funniest man who ever lived."

Unfortunately, Everson is somewhat at a disadvantage in trying to prove his point. Fields was almost as funny in his art as he was in his life, but the description of art is a notoriously recalcitrant vehicle of communication, and Everson has chosen sedulously to describe every Fields film still extant. The result is that episodes of the utmost hilarity *on film* will leave his readers (or at least those readers encountering them for the first time) wondering what all the fuss is about.

Fields was a pure filmic genius; that is to say, he was one of the very few screen performers who never for a moment forgot which medium he was working in, and never failed to exploit all the elements of that medium simultaneously. As a result, a Fields movie just can't be summarized or quoted from to any purpose as, say, a Bob Hope film, with its primarily verbal emphasis, could be. Consequently, Everson's book—which has a lot of very perceptive things to say about the techniques of film comedy in general and about Fields's comedies in particular—just isn't very funny (or at any rate, not consistently as funny as the picture on page 225—Fields, in tennis garb, standing on a tennis court and brandishing a tennis racquet in the hand with which he isn't shaking a martini—and its caption: "No mere publicity props, expert golfer Fields used both clubs—and portable bar—extensively during a day on the links"). Divorced from its sight gags, props, and routines, a line like the famous "And it ain't a fit night out for man nor beast" goes over like the proverbial lead balloon, despite Everson's valiant efforts to breathe life into it.

Corey Ford's book—and especially its climactic chapter on Fields—*is* funny, largely because Ford has had the good sense to try to reproduce verbally only what was in essence verbal to begin with:

" 'Out of the goodness of my heart, I proffered the fellow [a hitchhiker picked up in Homosassa, Florida] a touch of stimulant to ward off a chill, and he gave me a look of righteous indignation. 'Look not upon the wine when it is red,' he said, 'It stingeth like the adder, and biteth like the serpent. Eschew the curse of the demon rum.'

"I motioned Grady [Billy Grady, a onetime Fields business manager] to pull up at the side of the road. 'Who are you, my good man?' I inquired.

" 'I am a minister of the Gospel,' he said, opening his satchel and taking out some religious tracts, 'and it is my duty to convert you from the evils of drink.'

" 'Out, you pious son-of-a-bitch, out!' I said, and placing my foot against his chest I propelled him backward into a drainage ditch, pausing only to toss an empty gin bottle into the ditch beside him before we drove on.' Bill shuddered at the recollection. 'A most unnerving experience,' he sighed, and signaled the waiter to replenish his glass."

FIELDS, as the advertising for a current cycle of his films at one New York theatre keeps reminding us, has become a cult object, and it's no longer easy to come up with fresh material on him. Both the Everson and Ford books recount once more such oft-told tales—nearly all of them told almost two decades ago by Robert Lewis Taylor in his biography of Fields—as the Great Man's spiking of Baby LeRoy's orange juice (and then triumphantly bawling "The kid's no trouper!" when the infant actor stoddled—if that's the word

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for a staggering toddler—off the set; or Fields's encounter with an insurance-company doctor ("The nefarious quack claimed he found urine in my whiskey"); or the stories of Fields's hundreds of pseudonymous bank accounts, many of which are probably still collecting interest for Larson E. Whipsnade, Figley J. Whitesides, Mahatma Kane Jeeves, et al.

Fields is not the only legendary wit in Ford's book. Almost all the personalities in *The Time of Laughter* have by now reached legendary status and, funny as their lines may have been on first hearing, it's not likely that many readers will be encountering them for the first time. As Ford conducts his gentle, nostalgic tour of the wit and humor of the 1920's and early 1930's, he seems to point out only those landmarks which cannot be appreciated unless we make a conscious effort to remember that they were once spoken or written for a first time: Ring Lardner's superb "'Shut up,' he explained"; Dorothy Parker, magnificently outbitching Clare Boothe Luce's "Age before beauty" with a corrosive "Pearls before swine"; George S. Kaufman's "One Man's Mede is another man's Persian"; E. B. White's "I say it's spinach, and I say the hell with it"; Harold Ross's loyal "You mean a third-rate artist," when someone called Thurber a fourth-rater; Robert Benchley's "So who's in a hurry?" when told that drinking is slow death.

All its funny passages and anecdotes notwithstanding, *The Time of Laughter* is finally a melancholy book, if only because it points up the humorlessness of the present—a present in which to be funny is merely to preface any inane remark with the witlessly parroted catch phrase "Would you *believe*. . . ?" Would you believe that only four decades ago, a girl could be hilariously saucy in a less permissive society by sighing, when informed that some party guests were ducking for apples, "There, but for a typographical error, is the story of my life."

Or would you believe that a W. C. Fields could make of his life and art an unceasing—and unceasingly funny—bellow of outrage long before when to protest was to conform?

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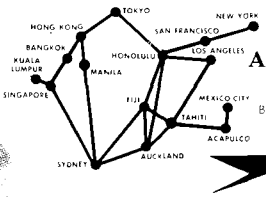

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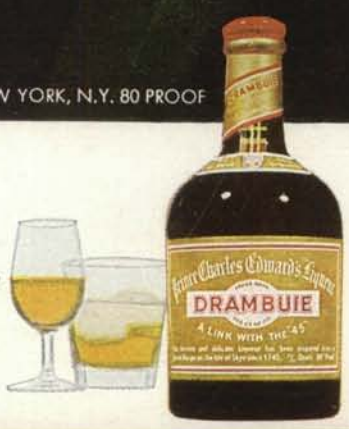

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